



Submitted Date: 9/21/2010 5:32:28 PM

Easygrants ID: 346

Funding Opportunity: Category One	Applicant Organization: Sierra Foothill Conservancy
Task: Submit Application Non-EO	Applicant Name: Mr. Chuck Peck



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Task: Submit Application Non-EO	Applicant Name: Mr. Chuck Peck

PROJECT CONTACT INFORMATION	
Name	Mr. Chuck Peck,
Title	
Organization	Sierra Foothill Conservancy
Primary Address	PO Box 529, , Prather, CA, 93651
Primary Phone/Fax	559-855-3473 Ext.
Primary Email	chuck.peck@sierrafoothill.org

Name	Mr. Chuck Peck,
Title	
Organization	Sierra Foothill Conservancy
Primary Address	PO Box 529, , Prather, CA, 93651
Primary Phone/Fax	559-855-3473 Ext.
Primary Email	chuck.peck@sierrafoothill.org



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PROJECT INFORMATION

Project Title	Topping Ranch conservation Easement
Brief Description	<p>Sierra Foothill Conservancy (SFC) has an incredible opportunity to expand land conservation in the central Sierra foothills by placing a conservation easement on 1,362 acres of the historic Topping Ranch. The major objectives for this project are to: 1) protect the physical, cultural, and living resources of the Ranch, 2) expand land conservation and connectivity within the Fine Gold Creek Drainage and the San Joaquin River Corridor, and 3) preserve the viability of a working ranch and the local ranching infrastructure and economy.</p> <p>The Topping Ranch Project is a good fit for SNC Proposition 84 funding because it protects the water quality of one of California's largest rivers, preserves a scenic view shed and diverse biological habitats, and maintains a large historic ranch that demonstrates the compatibility of viable working landscapes with the protection of natural resurces in the Sierra Nevada.</p>
Total Requested Amount	882,890.00
Other Fund Proposed	439,680.00
Total Project Cost	1,322,570.00
Project Category	Acquisition Projects
Project Area/Size	1362
Project Area Type	Acres
Have you submitted to SNC this fiscal year?	No
Is this application related to other SNC funding?	No



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Project Results

Easement or other landowner agreement

Project Purpose	Project Purpose Percent
Natural Resource	
Water Quality	

County

Madera

Sub Region

South



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PROJECT OTHER CONTACTS INFORMATION

Other Grant Project Contacts

Name: Mr. Chuck Peck,
Project Role: Authorized Representative
Phone: 5592811474
Phone Ext:
E-mail: chuck.peck@sierrafoothill.org

Name: Mr. Logan Page,
Project Role: Day-to-Day Responsibility
Phone: 5598553473
Phone Ext:
E-mail: logan.page@sierrafoothill.com

Name: Mr. Eric Fleming,
Project Role: County Administration
Phone: 0000000
Phone Ext:
E-mail: mc_planning@madera-county.com

Name: Mr. District Madera Irrigation,
Project Role: Water Agency 1 Contact
Phone: 5596733514
Phone Ext:
E-mail: ljohnson@madera-id.org

Name: Mr. Authority Friant Water Users,
Project Role: Water Agency 2
Phone: 5595626305
Phone Ext:
E-mail: rjacobsma@friantwater.org



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PROJECT LOCATION INFORMATION

Project Location

Address:	P.O. Box 2, P.O. Box 348, , O'Neals, CA, 93645 United States
Water Agency:	Madera Irrigation District
Latitude:	N37.11001
Longitude:	W119.63339
Congressional District:	na
Senate:	na
Assembly:	na
Within City Limits:	No
City Name:	



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PROJECT BUDGET INFORMATION

Direct

Description	Num of Units	Per Unit Cost	Total
Conservation Easement Purchase	1	820,000.00	820,000.00
Closing Costs (Escrow fees and title insurance)	1	3,500.00	3,500.00
Development of the baseline documentation report	1	3,000.00	3,000.00
Conservation Management Plan	1	2,000.00	2,000.00
Conservation Easement Drafting	24	55.00	1,320.00
Legal Review of Conservation Easement	6	300.00	1,800.00
Sign recognizing SNC and Prop 84 funds	1	1,000.00	1,000.00
Appraisal	1	7,000.00	7,000.00

SIERRA NEVADA CONSERVANCY

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Total Direct	839,620.00
Direct Detail	

Indirect

Description	Num of Units	Per Unit Cost	Total
Performance Measure evaluation & interim & final reports	24	55.00	1,320.00

Total Indirect	1,320.00
Indirect Detail	Performance Measure evaluation and interim and final reports.

Administration

Description	Num of Units	Per Unit Cost	Total
Overhead (facilities, utilities, supplies, ins. etc.)	1	25,228.00	25,228.00
Grant management & financial oversight including audit	1	16,722.00	16,722.00

Total Administration	41,950.00
Administration Detail	Overhead at 3% of project total; grant management and financial oversight including annual audit, at 2% of project total.



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Budget Grant Total: 882,890.00



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PROJECT OTHER SUPPORT INFORMATION

Other Support for the Sierra Nevada

Type :	Project Funds Other
Estimated Amount:	27,500.00
Estimated Volunteer Hours:	500
Source:	Regional conservation planning
Source Type:	Other
Status:	Received
Description:	500 hous at \$55.00 per hour.
Type :	Project Funds Other
Estimated Amount:	360,000.00
Estimated Volunteer Hours:	0
Source:	Donated conservation easement on 600 vernal pool acres
Source Type:	Other
Status:	Received
Description:	Donated conservation easement.
Type :	Project Funds Other
Estimated Amount:	2,200.00
Estimated Volunteer Hours:	40
Source:	Easement negotiations (staff time and travel)
Source Type:	Other
Status:	Application Submitted
Description:	Status per document is, "Mostly."
Type :	Volunteer Hours
Estimated Amount:	2,880.00
Estimated Volunteer Hours:	24
Source:	Four land committee consultants
Source Type:	Other



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Status:	Received
Description:	Volunteer hours from consultants at \$120.00 per hour.
Type :	Project Funds Other
Estimated Amount:	3,300.00
Estimated Volunteer Hours:	0
Source:	Staff time for communications, outreach & celebration
Source Type:	Other
Status:	Application Submitted
Description:	Status shown as, "SNC Grant" with 60 hours of staff time.
Type :	Project Funds Other
Estimated Amount:	1,000.00
Estimated Volunteer Hours:	0
Source:	Communication and outreach expenses - travel, printing
Source Type:	Other
Status:	Application Submitted
Description:	Expenses associated with communication and outreach including travel for presentations and land tours, printing materials, postage, electronic communications, etc.
Type :	Volunteer Hours
Estimated Amount:	300.00
Estimated Volunteer Hours:	30
Source:	Project celebration and recognition event
Source Type:	Other
Status:	Application Submitted
Description:	Volunteer hours at \$10.00 per hour.
Type :	Project Funds Other
Estimated Amount:	1,500.00



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Estimated Volunteer Hours:	0
Source:	Project completion celebration costs (food, etc.)
Source Type:	Other
Status:	Application Submitted
Description:	Project completion celebration costs (food, beverage, rentals, etc.) for up to 200 attendees.
Type :	Project Funds Other
Estimated Amount:	41,000.00
Estimated Volunteer Hours:	0
Source:	Land owner donation for monitoring, endowment defense
Source Type:	Other
Status:	Application Submitted
Description:	Land owner donation for monitoring endowment and easement defense (5% of purchase cost).

Estimated Total Amount of Resources Leveraged	439,680.00
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PROJECT REGULATORY REQUIREMENTS

Regulatory Requirements



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PROJECT TIMELINE INFORMATION

Project Timeline	
Milestone/Activity:	Complete Baseline Document Report
Description:	
Expected Date:	05/31/2011
Deliverable:	True
Milestone/Activity:	Complete Management Plan
Description:	
Expected Date:	05/31/2011
Deliverable:	True
Milestone/Activity:	Close Escrow and Record Conservation Easement
Description:	
Expected Date:	06/30/2011
Deliverable:	True
Milestone/Activity:	Erect Sign on Property Recognizing Project
Description:	
Expected Date:	06/30/2011
Deliverable:	True
Milestone/Activity:	Celebration Event and Press Release
Description:	
Expected Date:	06/30/2011
Deliverable:	True
Milestone/Activity:	Submit Final Report to SNC
Description:	
Expected Date:	07/31/2011
Deliverable:	True



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PROJECT PEER REVIEWER INFORMATION

Reviewers

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UPLOADS

The following pages contain the following uploads provided by the applicant:

Upload Name
Completed Checklist
Table of Contents
Application Form
Authorization to Apply or Resolution
Articles of Incorporation (Non-Profit Organization)
Bylaws (Non-Profit Organizations Only)
IRS Tax Letter (Non-Profit Organizations Only)
Project Summary
Evaluation Criteria Narrative
Detailed Budget Form



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Performance Measures
Environmental Setting and Impacts
Project Location Map
Parcel Map Showing County Assessors Parcel Number
Topographic Map
Topographic Map
Photos of the Project Site
Acquisition Schedule
Willing Seller Letter
Land Tenure- Only for Site Improvement Projects
Leases or Agreements
CEQA Documentation



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Letters of Support
Letters of Support
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Real Estate Appraisal

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Application Checklist for Category One Grants

Project Name: Topping Ranch Conservation Easement

Applicant: Sierra Foothill Conservancy

Please mark each box: check if item is included in the application; mark "N/A" if not applicable to the project. Please consult with SNC staff prior to submission if you have any questions about the applicability to your project of any items on the checklist. All applications must include a CD including an electronic file of each checklist item, if applicable. The naming convention for each electronic file is listed after each item on the checklist. (Electronic File Name = EFN: "naming convention". file extension choices)

1. ☐ Completed Checklist (EFN: *Checklist.doc,.docx,.rtf, or .pdf*)
2. ☐ Table of Contents (EFN: *TOC.doc,.docx,.rtf, or .pdf*)
3. ☐ Application Form (EFN: *AppForm.doc, .docx, .rtf, or .pdf*)
4. ☐ Authorization to Apply or Resolution (EFN: *AuthRes. doc, .docx, .rtf, or .pdf*)
- 5a. ☐ Articles of Incorporation [501(c)(3)s only] (EFN: *ArtInc.doc, .docx, .rtf, or .pdf*)
- 5b. ☐ Bylaws [501(c)(3)s only] (EFN: *Bylaws.doc, .docx, .rtf, or .pdf*)
- 5c. ☐ Tax Exempt Status Letter from the Internal Revenue Service [501(c)(3)s only] (EFN: *IRS.doc,.docx,.rtf,.pdf*)
6. ☐ Project Summary (Two page maximum) (ENF: *ProjSum.doc, .docx, .rtf, or .pdf*)
7. ☐ Evaluation Criteria Narrative (ENF: *EvalCrit.doc, .docx, .rtf, .pdf*)
8. ☐ Detailed Budget Form (ENF: *Budget.xls, .xlsx*)
9. ☐ Long Term Management Plan (no EFN - included in the Evaluation Criteria Narrative)
10. ☐ Performance Measures (ENF: *Perform.doc, .docx, .rtf, or .pdf*)
11. ☐ Environmental Setting and Impacts (ENF: *EnvSetImp.docs, .docx, .rtf, .pdf*)
12. ☐ Project Location Map (ENF: *LocMap.pdf*)
13. ☐ Parcel Map showing County Assessor's Parcel Number(s) (ENF: *ParcelMap.pdf*)
14. ☐ Topographic Map (ENF: *Topo.pdf*)
15. ☐ Site Plan (Site improvement/restoration projects) (ENF: *SitePlan.pdf*)
16. ☐ Photos of the Project Site (10 maximum) (ENF: *Photo.jpg, .gif*)
17. ☐ Acquisition Schedule (Acquisition projects) (ENF: *AcqSched.doc,.docx,.rtf,.pdf*)
18. ☐ Willing Seller Letter (Acquisition projects) (ENF: *WillSell.pdf*)
19. ☐ Land Tenure/Draft Conservation Easement
20. ☐ Leases or Agreements (ENF: *LeaseAgrmnt.pdf*)
21. ☐ California Environmental Quality Act (CEQA) Letter of Exemption
22. **NA** National Environmental Policy Act (NEPA) documentation (ENF: *NEPA.pdf*)
23. ☐ Regulatory Requirements (NA to project, but statement is included.)
24. ☐ Demonstrations of Support (ENF: *DOS.pdf*)
25. ☐ Real Estate Appraisal (Acquisition projects) (ENF: *Appraisal.pdf*)

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Sierra Foothill Conservancy

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10. PROJECT ADDRESS/LOCATION (Include zip code)

Bart and Cynthia Topping
Topping Ranch
P.O. Box 2
O'Neals, CA 93645

Jane E. Topping
Leonard and Jane Topping Family Trust
P.O. Box 48
O'Neals, CA 93645

11. LATITUDE AND LONGITUDE

N37.11001 W119.63339

WGS 1984

12. COUNTY

Madera

13. CITY (Is project within city limits? If so, which one?)
Not within city limits

14. NEAREST PUBLIC WATER AGENCY (OR AGENCIES) CONTACT INFORMATION:

Name: Madera Irrigation District

Phone Number: (559) 673-3514

Email address: ljohnson@madera-id.org

Name: Friant Water Users Authority

Phone Number: (559) 562-6305

Email address: rjacobsma@friantwater.org

15. CEQA OR NEPA DOCUMENT TYPE (if applicable)

☒ Notice of Exemption

☐ Negative Declaration

☐ Environmental Impact Report

☐ Finding of No Significant Impact

☐ Environmental Impact Statement

☐ Joint CEQA/NEPA Document

16. STATE CLEARINGHOUSE NUMBER

NOTICE OF EXEMPTION FOR CEQA

17. APPRAISAL

☒ Submittal with application

☒ Submittal by _____

I certify that the information contained in the Application, including required attachments, is accurate.


Signed (Authorized Representative)

9/13/10
Date

Charles E. Peck
Name and Title (print or type)

Land Protection Director



**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SIERRA FOOTHILL CONSERVANCY APPROVING THE
APPLICATION FOR GRANT FUNDS FROM THE SIERRA NEVADA
CONSERVANCY IN ORDER TO PURCHASE A CONSERVATION
EASEMENT ON THE TOPPING RANCH**

• CONSERVANCY •

WHEREAS, the Sierra Foothill Conservancy is a nonprofit land trust dedicated by mission to conserve ranching land, natural areas and scenic beauty,

WHEREAS, the Legislature and Governor of the State of California have provided Funds for the Sierra Nevada Conservancy, Proposition 84 Grants program; and

WHEREAS, the Sierra Nevada Conservancy (SNC) has been delegated the responsibility for the administration of a portion of these funds through a local assistance grants program, establishing necessary procedures; and

WHEREAS, said procedures established by the Sierra Nevada Conservancy require a resolution certifying the approval of application by the Applicant's governing board before submission of said application to the SNC; and

WHEREAS, the Sierra Foothill Conservancy, if selected, will enter into an agreement with the SNC to carry out the project; and


WHEREAS, Sierra Foothill Conservancy has identified the Topping Ranch Conservation Easement as valuable toward meeting its mission and goals.

BE IT HEREBY RESOLVED by the Board of Directors of the Sierra Foothill Conservancy that this Board:

1. Approves the submittal of an application for the Topping Ranch Conservation Easement; and
2. Certifies that Applicant understands the assurances and certification requirements in the application; and
3. Certifies that Applicant or title holder will have sufficient funds to operate and maintain the resource(s) consistent with the long-term benefits described in support of the application; or will secure the resources to do so; and
4. Certifies that Applicant will comply with all legal requirements as determined during the application process; and
5. Appoints Charles E. Peck, Land Protection Director, Jeannette Tuitelle-Lewis, Executive Director, or designee, as agent to conduct all negotiations, execute and submit all documents, including but not limited to: applications, agreements, payment requests, and so on, which may be necessary for the completion of the aforementioned project(s).

Approved and adopted the 11th day of August 2010. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Sierra Foothill Conservancy by the following vote:

Ayes: 11
Nos: 0
Absent: 0


Heidi Riedle, Secretary of the Board

State of California

1968628

SECRETARY OF STATE

CORPORATION DIVISION

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

MAY 14 1996



Bill Jones

Secretary of State

1968628

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

MAY 6 1996

Bill Jones
BILL JONES, Secretary of State

**ARTICLES OF INCORPORATION
OF
SIERRA FOOTHILL CONSERVANCY**

I. NAME

The name of the corporation is Sierra Foothill Conservancy.

II. PURPOSES

- A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.
- B. The public purposes of this corporation are to protect, manage, administer and preserve lands in Central California possessing unique natural resources and cultural qualities. Public education and scientific research are continuing objectives of this corporation, as is maintaining the natural balance of these lands with the use of livestock grazing and/or other traditional land management techniques.

III. INITIAL AGENT FOR SERVICE OF PROCESS

The name of the initial agent of the corporation for service of process is:

Donn Furman, Esq.
Frampton, Hoppe, Williams & Boehm
2444 Main Street, Suite 110
Fresno, California 93721

IV. STATE AND FEDERAL EXEMPT ORGANIZATION

This corporation is organized and operated exclusively for charitable and public purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code.

V. DEDICATION AND DISSOLUTION

- A. The property of this corporation is irrevocably dedicated to charitable and public purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private persons.

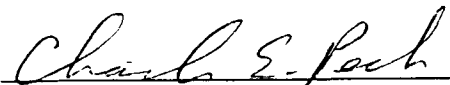
- B. On the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable and public purposes and which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3).
- C. If this corporation holds any assets on trust, or the corporation is formed for charitable purposes, such assets shall be disposed of in such manner as may be directed by decree of the superior court of the county in which the corporation has its principal office, on petition therefor by the Attorney General or by any person concerned in the liquidation, in a proceeding to which the Attorney General is a party.

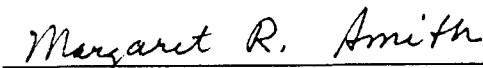
VI. LIMITATION ON CORPORATE ACTIVITIES


No substantial part of the activities of this corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall this corporation participate or intervene in any political campaign (including publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

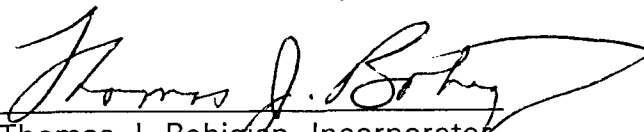
IN WITNESS WHEREOF, the undersigned, being the Incorporators of the Sierra Foothill Conservancy, have executed these Articles of Incorporation on February 21, 1996.

INCORPORATORS


Charles E. Peck, Incorporator

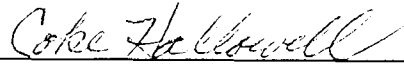

Margaret R. Smith, Incorporator


Bonnie L. Bladen, Incorporator

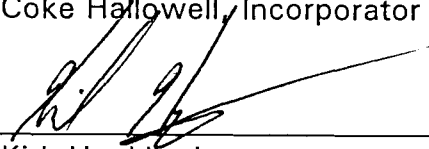

Thomas J. Bohigian, Incorporator



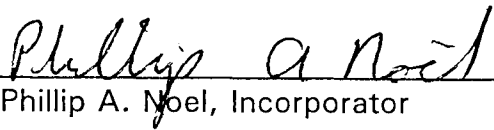
Donn W. Furman, Incorporator



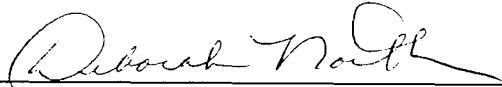
Coke Hallowell, Incorporator



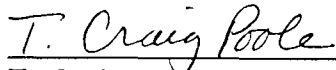
Kirk Hopkin, Incorporator



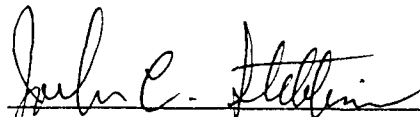
Phillip A. Noel, Incorporator



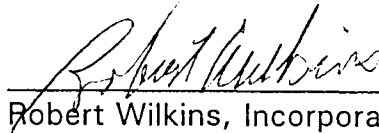
Deborah North, Incorporator



T. Craig Poole, Incorporator



John C. Stebbins, Incorporator



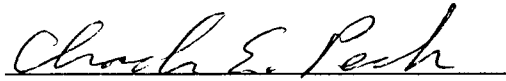
Robert Wilkins, Incorporator

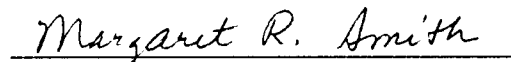
DECLARATION

We are the persons whose names are subscribed below. We collectively are all the incorporators of the Sierra Foothill Conservancy, and we have executed these Articles of Incorporation. The foregoing Articles of Incorporation are our act and deed, jointly and severally.

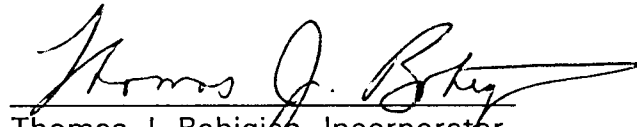
Executed on February 21, 1996, at Fresno, California.


We, and each of us, declare the foregoing true and correct.


Charles E. Peck, Incorporator

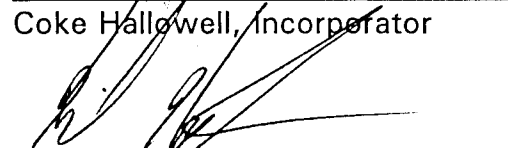

Margaret R. Smith, Incorporator

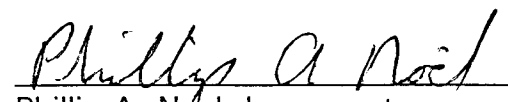

Bonnie L. Bladen, Incorporator

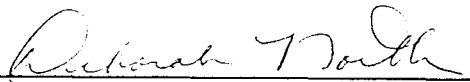

Thomas J. Bohigian, Incorporator

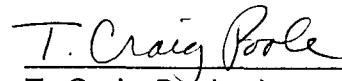

Donn W. Furman, Incorporator

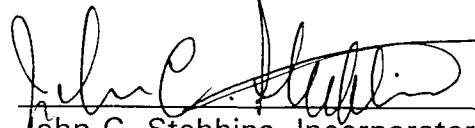

Coke Hallowell, Incorporator

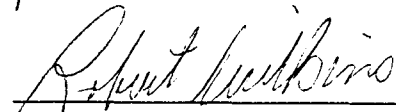

Kirk Hopkin, Incorporator


Phillip A. Noel, Incorporator


Deborah North, Incorporator

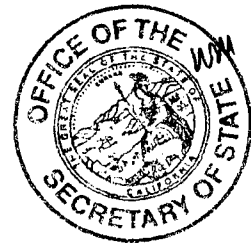

T. Craig Poole, Incorporator


John C. Stebbins, Incorporator


Robert Wilkins, Incorporator



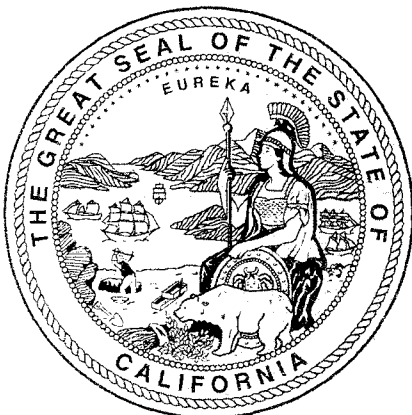
State of California



SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 17 2001

A handwritten signature in cursive script that reads "Bill Jones".

Secretary of State

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

APR 13 2001

BILL JONES, Secretary of State

**CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
SIERRA FOOTHILL CONSERVANCY**

John Stebbins and Bonnie Bladen, certify that:

1. They are the President and Secretary, respectively, of Sierra Foothill Conservancy, a California nonprofit public benefit corporation (California Corporation No. C19686280).

2. Paragraph A of Article V of the Articles of Incorporation of this Corporation is amended to read as follows:

“The assets and property of this corporation are irrevocably dedicated to charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code and no part of the net income or assets of this corporation shall inure to the benefit of any director, officer or member thereof or to the benefit of any private persons.”

3. Paragraph B of Article V of the Articles of Incorporation of this Corporation is amended to read as follows:

“Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.”

4. The foregoing amendments of the Articles of Incorporation of this Corporation have been duly approved by the Board of Directors of this Corporation.

5. This Corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

Dated: March 28, 2001.


John Stebbins, President


Bonnie Bladen, Secretary

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BYLAWS
of
SIERRA FOOTHILL CONSERVANCY,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

March 24, 2007

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**BYLAWS
OF
SIERRA FOOTHILL CONSERVANCY,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**ARTICLE I
ORGANIZATION**

Section 1.01 **Name.** The name of this Corporation is the SIERRA FOOTHILL CONSERVANCY.

Section 1.02 **Purposes and Limitations.** This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue law). The general purposes of this Corporation are:

- (a) To protect, administer, and preserve lands in Central California that possess unique natural resources and cultural qualities;
- (b) To conduct public education and scientific research and to maintain the natural balance with livestock grazing and/or other traditional land management techniques;
- (c) To do all other things allowed by a non-profit corporation and utilize funds from all other sources than government to effectively educate, train, and place individuals with the necessary resources and skills to fulfill employer needs; and
- (d) To have and exercise all rights and powers conferred on nonprofit public benefit corporations under the Nonprofit Public Benefit Corporation Law of California as such law is now in effect or may at any time hereafter be amended, provided, however, notwithstanding any of the foregoing statements, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the above-stated purposes of this Corporation.

Section 1.03 **Dedication of Assets.** The property of this Corporation is irrevocably dedicated to charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code and no part of the net

income or assets of this Corporation shall inure to the benefit of any director, officer, or member thereof or to the benefit of any private person. Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law), and which is qualified for exemption from taxation under Section 23701d of the California Revenue and Taxation Code (or the corresponding provision of any future California Revenue and Tax Law).

Section 1.04 **Nonpartisan Activities**. The Corporation shall be nonpartisan. No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office. The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes and objectives described herein.

ARTICLE II OFFICES

Section 2.01 **Principal Office**. The principal office for the transaction of the activities and affairs of the Corporation ("principal executive office") shall be located in Fresno County, California. The Board of Directors may change the principal executive office from one location to another. Any change of this location shall be noted by the Secretary of the Corporation on these Bylaws opposite this section, or this section may be amended to state the new location.

Section 2.02 **Other Offices**. The Board of Directors may at any time establish branch or subordinate offices at any place or places, within or without the State of California, where the Corporation is qualified to conduct its activities.

ARTICLE III MEMBERSHIP

Section 3.01 **Membership**. This Corporation shall have no voting members. Any action which would otherwise under law require the approval of the Board of Directors, and all rights which would otherwise vest in the members under law shall vest in the Directors of this Corporation. The Board of Directors may, by resolution, establish such categories of nonvoting memberships as it deems advisable and useful in its research, management, and fundraising activities.

Section 3.02 **Other Persons Associated With Corporation.** This Corporation may refer to persons or entities as affiliate members or other persons or entities associated with it even though those persons or entities are not voting members.

ARTICLE IV DIRECTORS

Section 4.01 **Powers and Responsibilities.** Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation or these Bylaws, the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised by, or under the direction of, the Board of Directors. The Board of Directors shall be responsible for, among other things: (i) adopting an annual budget, (ii) adopting the annual dues schedule, and (iii) adopting policies and positions concerning the affairs of this Corporation. The Board of Directors may delegate the management of the activities of the Corporation to an executive director, a management company, or management committees however composed, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by, or under the ultimate direction of, the Board of Directors.

Without prejudice to these general powers and subject to the same limitations, the Board of Directors, in addition to the other powers enumerated in these Bylaws, shall have the power to:

(a) Appoint and remove, subject to any employment agreement and, at the pleasure of the Board of Directors, all officers, agents, and employees of the Corporation; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; fix their compensation (if any); and require from them security for faithful service.

(b) Change the principal executive office in the State of California from one location to another; cause the Corporation to conduct its activities within or without the State of California; and designate any place within or without the State of California for holding any meeting of Directors.

(c) Adopt and use a corporate seal and to alter the form of such seal from time to time, as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of law.

(d) To approve an annual operating budget and capital expenditure budget, to borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate

name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(e) To conduct, manage and control the affairs and activities of the Corporation and to make such rules and regulations therefor not inconsistent with applicable federal and California law, the Articles of Incorporation or the Bylaws as they may deem best.

(f) Pursuant to authority hereinafter granted, to appoint committees and to delegate to such committees powers and authority of the Board of Directors in the management of the activities and affairs of the Corporation, except the power to adopt, amend or repeal Bylaws or Articles, and except as otherwise set forth herein.

Section 4.02 **Number and Qualification of Directors.** The authorized number of Directors shall be no less than nine (9) and no more than twenty-one (21) until changed by amendment to this bylaw made pursuant to the provisions of Article X of these Bylaws. Directors need not be residents of the State of California. The Board of Directors may select such additional persons to serve as "Honorary Directors" or "Advisory Board" members as it deems appropriate. "Honorary Directors" and "Advisory Board" members shall enjoy no voting privileges on the Board of Directors.

Section 4.03 **Restriction on Interested Persons as Directors.** No more than twenty-five percent (25%) of the persons serving on the Board of Directors may be interested persons. An "interested person" is (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this bylaw shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 4.04 **Election, Designation, and Term of Office of Directors.** Directors for the Corporation shall be elected by the voting members at an annual meeting of the members to be held on a pre-designated Saturday in March of each year. Directors shall be selected from a slate of nominees proposed by the Corporation's nominating committee, which shall be the officers of the Corporation, and any eligible members nominated from the floor at the annual member meeting. Directors shall serve three (3) year terms. If any Directors are not elected at an annual meeting, they may be elected at any special meeting of voting members held for that purpose or by unanimous written consent of the voting members. Each such Director, including a Director appointed to fill a vacancy, shall hold office until expiration of the term for which appointed or elected and until a successor Director has been elected and qualified. No Director may serve more than three (3) consecutive terms; provided, however, that any Director who has not served on the Board of

Directors for at least one (1) year may at any time thereafter be elected to the Board of Directors, and may thereafter serve up to an additional three (3) consecutive three (3) year terms. This provision does not apply to directors who were on the board as of the annual meeting in March of 2006.

Section 4.05 **Vacancies; Removal; Resignation of Directors.** A vacancy or vacancies on the Board of Directors shall be deemed to exist on the occurrence of any of the following: (a) the death or resignation of any Director; (b) the declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under the California Nonprofit Public Benefit Corporation Law; (c) the increase of the authorized number of Directors; or (d) the removal of a Director in accordance with these Bylaws.

A Director may be removed, either with or without cause, by a two-thirds (2/3) vote of all other Directors at the time in office at any regular meeting or special meeting of the Board of Directors so long as the item to remove the director is placed on the written agenda and distributed to the directors no less than two weeks before the meeting in which it is considered.

Any Director who is absent from three (3) consecutive regular meetings of the Board of Directors, without cause, may be removed by a majority of the Board of Directors. However, any Director shall be entitled to up to a six-month leave of absence from their duties due to illness, vacation, or other compelling reasons with the approval of a majority of the Board of Directors.

Except as provided below, any Director may resign by giving written notice to any Officer or the Board of Directors of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a future time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of State of California, no Director may resign if the Corporation would be left without a duly elected Director or Directors.

Vacancies on the Board of Directors may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director.

No reduction of the authorized number of Directors shall have the effect of removing any Director from office before that Director's term of office has expired.

Section 4.06 **Place of Directors' Meetings; Meetings By Telephone.** Meetings of the Board shall be held at any place, within or without the State of California, that has been designated by resolution of the Board of Directors or in the notice of the

meeting or, if not so designated, at the principal executive office of the Corporation. Any

meeting may be held by conference telephone, or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at such a meeting.

Section 4.07 **Annual Meeting of Directors.** The Board of Directors shall hold an annual meeting on the first Saturday in April of each year. Each such annual meeting shall be held for purposes of organization, the election of officers, and the transaction of other business. Notice of the time and place of this meeting shall be required.

Section 4.08 **Other Regular Meetings.** Other regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may fix from time to time. The time and place of such meetings will be stated in the minutes of the previous meeting of the Board of Directors. A minimum of four (4) board meetings shall be held each year.

Section 4.09 **Special Meetings.** Special meetings of the Board of Directors for any purpose may be called at any time by the President of the Board of Directors, the Vice President, the Secretary or any two (2) Directors.

Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail postage prepaid, (c) by telephone, either directly to the Director or to a person at such Director's office who would reasonably be expected to communicate that notice promptly to such Director; (d) by electronic mail (e-mail), either directly to the Director or to a person at such Director's office who would reasonably be expected to communicate that notice promptly to such Director; or (e) by fax, either directly to the Director or to a person at such Director's office who would reasonably be expected to communicate that notice promptly to such Director. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

Notice sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, e-mail or fax shall be delivered, telephoned, e-mailed or faxed at least forty-eight (48) hours before the time set for the meeting.

The notice shall state the time of the meeting, and the place if the place is other than the principal executive office of the Corporation. The notice need not specify the purpose of the meeting.

Section 4.10 **Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written

consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to that Director.

Section 4.11 **Quorum**. Forty (40) percent of the authorized number of Directors shall constitute a quorum for the transaction of any business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board of Directors, subject to the provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of, and appointments to, committees of the Board of Directors, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 4.12 **Adjournment**. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 4.13 **Notice of Adjourned Meeting**. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

Section 4.14 **Action Without a Meeting**. Pursuant to Section 5211(b) of the California Corporations Code, any action required or permitted to be taken by the Board of Directors may be taken without a meeting if each and every member of the Board of Directors consents in writing to the action; provided, however, that the consent of any Director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director," as defined in Section 5233 of the California Corporations Code or any provision herein, shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board of Directors. All such consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 4.15 **Compensation and Reimbursement**. Directors and members serving on committees approved by the Board of Directors may not be compensated by the

Corporation for their services. However, Directors and members serving on committees approved by the Board of Directors may receive reimbursement of expenses as the Board of Directors may establish by resolution to be just and reasonable as to the Corporation at the time that the resolution is adopted.

ARTICLE V OFFICERS

Section 5.01 **Officers of the Corporation**. The officers of the Corporation shall consist of a President, a Vice President, a Secretary, and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, such other officers as may be appointed in accordance with Section 5.03 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President or Vice President of the Board of Directors.

Section 5.02 **Election of Officers**. The officers of the Corporation, except such officers as may be appointed under Section 5.03 of these Bylaws, shall be chosen annually by the Board of Directors from among the Board members. Officers shall serve one (1) year terms.

Section 5.03 **Additional Officers**. The Board of Directors may appoint and may authorize the President of the Board of Directors, or other officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board of Directors.

Section 5.04 **Removal and Resignation of Officers**. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board of Directors and also, if the officer was not chosen by the Board of Directors, by any officer on whom the Board may confer that power of removal.

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 5.05 **Vacancies in Office**. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 5.06 **President of the Board**. Subject to the control of the Board of

Directors, the President of the Board of Directors shall direct, and control the activities and affairs of the Board and its officers. The President of the Board of Directors shall have such other powers and duties as the Board of Directors or these Bylaws may prescribe. In the absence of an executive director, retained either as an employee of the Corporation or as an administrative services contractor of the Corporation, the President shall serve as the chief executive officer and direct and control the Corporation's activities and affairs. The President shall be given the necessary authority and held responsible for the administration of the Corporation in all its activities and subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. The President shall act as the "duly authorized representative" of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person for that specific purpose. Without prejudice to such general powers as above described, but subject to the limitations, authority and duties of the President are hereby expressly declared to be:

- (a) To carry out all policies established by the Board of Directors, and to advise on the formation of those policies;
- (b) To attend meetings of the Board of Directors and its committees;
- (c) To prepare plans for the achievement of the Corporation's long-range objectives and goals as adopted by the Board of Directors;
- (d) To promote effective and economical working relationships with other organizations;
- (e) To represent the Corporation to the public; and
- (f) To perform any other duty that may be necessary in the best interest of the Corporation.

Section 5.07 **Vice President**. If the President is absent or disabled, the Vice President shall perform all duties of the President. When so acting, the Vice President shall have all powers of, and be subject to, all restrictions on the President. The Vice President shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may prescribe. The Vice President shall serve as the President elect.

Section 5.08 **Secretary**. The Secretary shall keep or cause to be kept, at the Corporation's principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board of Directors. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given,

and the names of those present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal executive office in the State of California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and of committees of the Board of Directors required by these Bylaws to be given. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board of Directors of these Bylaws may prescribe.

Section 5.09 **Treasurer**. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board of Directors. The books of account shall be open to inspection by any Director at all reasonable times.

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name of, and to the credit of, the Corporation with such depositories as the Board of Directors may designate; shall disburse the Corporation's funds as the Board of Directors may order; shall render to the President of the Board of Directors, and the Board of Directors, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may prescribe.

The Board of Directors may elect to secure in the name of the Corporation and the Treasurer a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of, the Treasurer upon such officer's death, resignation, retirement, or removal from office.

ARTICLE VI COMMITTEES

Section 6.01 **Committees of the Board**. The Board of Directors, by motion adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, each consisting of one (1) or more Directors, and other persons that the Directors may appoint to serve at the pleasure of the Board of Directors. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board of Directors may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board motion, shall only have the authority delegated

by the Board of Directors, except that no committee, regardless of Board motion, may:

- (a) Fill vacancies on the Board of Directors or on any committee that has the authority of the Board of Directors;
- (b) Fix compensation of the Directors for serving on the Board of Directors or on any committee;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- (e) Create any other committees of the Board of Directors or appoint the members of committees of the Board of Directors;
- (f) Expend corporate funds to support a nominee for Director after more people have been nominated for Director than can be elected; or
- (g) Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code; or
- (h) Take any final action in violation of the California Nonprofit Public Benefit Corporation Law.

Section 6.02 **Meetings and Actions of Committees.** Meetings and actions of committees of the Board of Directors shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board motion or, if there is none, by motion of the committee of the Board of Directors. Minutes of each meeting of any committee of the Board of Directors shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board of Directors, the committee may adopt such rules.

Section 6.03 **Executive Committee.** The Board of Directors may appoint two (2) or more Directors and the President of the Corporation to serve as the Executive Committee of the Board. The Executive Committee, unless limited by a resolution of the Board, shall have and may exercise all the authority of the Board of Directors in the management of the business and the affairs of the Corporation between the meetings of the

Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Section 6.01.

ARTICLE VII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 7.01 **Agents, Proceedings, and Expenses.** For the purposes of this Article, "agent" means any person who is or was a Director, officer, employee, or other agent of this Corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expense" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Sections 7.04 or 7.05(b) of this Article VII.

Section 7.02 **Actions Other Than By the Corporation.** This Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by, or in the right of, this Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of this Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if that person acted in good faith and in a manner that person reasonably believed to be in the best interests of this Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 7.03 **Actions By the Corporation.** This Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by, or in the right of, this Corporation, or brought under Section 5233 of the California Corporations Code, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that person is or was an agent of this Corporation, against expenses actually and reasonably incurred by that person in connection with the defense or settlement of that action if that person acted in good faith, in a manner that person believed to be in the best interests of this Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 7.03 for any of the following reasons:

(a) In respect of any claim, issue or matter as to which that person shall have been adjudged to be liable to this Corporation in the performance of that person's duty to this Corporation, unless, and only to the extent that, the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, that person is fairly and reasonably entitled to indemnity for the expenses and then only to the extent that the court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

Section 7.04 **Successful Defense By Agent**. To the extent that an agent of this Corporation has been successful on the merits in defense of any proceeding referred to in Sections 7.02 or 7.03 of this Article VII, or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 7.05 **Required Approval**. Except as provided in Section 7.04 of this Article VII, any indemnification under this Article VII shall be made by this Corporation only if authorized in the specific case upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 7.02 or 7.03 of this Article VII, by any of the following:

(a) A majority vote of a quorum consisting of Directors who are not parties to the proceeding; or

(b) The court in which the proceeding is or was pending, upon application made by this Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this Corporation.

Section 7.06 **Advance of Expenses**. Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding upon receipt of an undertaking by, or on behalf of, the agent to repay the amount of the advance unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

Section 7.07 **Other Contractual Rights**. No provision made by a corporation to indemnify its Directors or officers for the defense of any proceeding, whether

contained in the Corporation's Articles of Incorporation or Bylaws, a resolution of the Board of Directors, an agreement or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than Directors and officers of this Corporation may be entitled by contract or otherwise.

Section 7.08 **Limitations.** No indemnification or advance shall be made under this Article VII, except as provided in Sections 7.04 or 7.05(b), in any circumstances where it appears:

- (a) That it would be inconsistent with a provision of the Articles of Incorporation, Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7.09 **Insurance.** Upon and in the event of a determination by the Board of Directors of this Corporation to purchase such insurance, this Corporation may purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against, or incurred by, the agent in such capacity or arising out of the agent's status as such whether or not this Corporation would have the power to indemnify the agent against the liability under the provisions of this Article VII; provided, however, that this Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Corporations Code.

ARTICLE VIII EXECUTIVE DIRECTOR

Section 8.1 **Employment.** The Board may employ an Executive Director who shall be the administrative head of the Corporation.

Section 8.2 **Duties.** The Executive Director shall be responsible to the Board of Directors. The Executive Director shall be given the authority to carry out the policies established by the Board of Directors. The Executive Director shall have, but not be limited to, the following duties:

- (a) Serve as the administrator of all aspects of the day-to-day operations of the Corporation, including operating policies and procedures;
- (b) Make recommendations to the Board for its consideration regarding broad policies of the Corporation;

(c) Develop the overall program and services to be provided by the Corporation and its clients;

(d) Be present either personally or through an appointed representative at all Board meetings and be an ex-officio member of all committees; and

(e) Designate, appoint, or remove employees in accordance with established policies and procedures of the Corporation.

ARTICLE IX RECORDS AND REPORTS

Section 9.01 **Records and Reports.** The Corporation shall keep:

(a) Adequate and correct books and records of account;

(b) Written minutes of the proceedings of its Board of Directors, and committees of the Board of Directors; and

(c) A record of its members giving their names and addresses and the class of membership held by each.

Section 9.02 **Maintenance and Inspection of Articles and Bylaws.** The Corporation shall keep at its principal executive office the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members of the Board of Directors at all reasonable times during office hours.

Section 9.03 **Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind and physical properties. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 9.04 **Annual Report.** The Board of Directors shall cause to be prepared and distributed to the membership an annual report, to be sent within one hundred twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

(1) The assets and liabilities of the Corporation as of the end of the fiscal year.

- (2) The principal changes in assets and liabilities.
- (3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes.
- (4) The expenses or disbursements of the Corporation for both general and restricted purposes.
- (5) A statement of the place where the names and addresses of the current members are located.
- (6) Any information required by Section 9.05 of Article IX of these Bylaws.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than Ten Thousand and No/100 Dollars (\$10,000.00) in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors who request it in writing.

Section 9.05 **Annual Statement of Certain Transactions and Indemnifications**. As part of the annual report to the Board of Directors of the Corporation, or as a separate document if no annual report is issued, the Corporation shall annually furnish to each member a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the end of the Corporation's fiscal year:

- (1) Any transaction (i) which the Corporation, its parent, or its subsidiary was a party; (ii) in which an "interested person" had a direct or indirect material financial interest; and (iii) which involved more than Fifty Thousand and No/100 Dollars (\$50,000.00), or was one of a number of transactions with the same interested person involving, in the aggregate, more than Fifty Thousand and No/100 Dollars (\$50,000.00). For this purpose, an "interested person" is either of the following:
 - (a) Any Director or officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
 - (b) Any holder of more than ten percent (10%) of the voting

power of the Corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(2) Any indemnifications or advances aggregating more than Ten Thousand and No/100 Dollars (\$10,000.00) paid during the fiscal year to any officer or Director of the Corporation under Sections 7.01 through 7.03 of these Bylaws, unless that indemnification has already been approved by the Directors under Section 5238(e)(2) of the California Corporations Code.

ARTICLE X CONFLICTS OF INTERESTS

Section 10.01 **Disqualifying Financial Interest.** Any member of the Board of Directors must obtain the Board of Directors' approval pursuant to Section 10.02 or Section 10.03 and disqualify himself or herself from making, participating in the making of, or attempting to influence any decisions of the Board of Directors or a committee of the Board of Directors if it is reasonably foreseeable that the decision is one in which the Director has a material financial interest.

Section 10.02 **Prior Board of Directors Approval.** The Board of Directors may approve a proposed transaction in which a Director or Directors may have a material financial interest if after reasonable investigation and prior to consummating the transaction or any part thereof, with knowledge of the material facts concerning the transaction and the Director or Directors' interest in transaction, the Board of Directors determines in good faith by vote of a majority of Directors then in office without counting the vote of the interested Director or Directors, that:

- (a) The proposed transaction is for the Corporation's own benefit;
- (b) The proposed transaction is fair and reasonable as to the Corporation; and
- (c) The Corporation cannot obtain a more advantageous arrangement with reasonable efforts under the circumstances.

Section 10.03 **Board of Directors Ratification.** The Board or Directors may ratify a transaction entered into between the Corporation and a Director or Directors in which the Director or Directors had a material financial interest if at the next meeting of the Board of Directors, the Board of Directors determines in good faith by vote of a majority of Directors

then in office without counting the vote of the interested Director or Directors, that:

- (a) A committee or person authorized by the Board of Directors approved the transaction;
- (b) The Corporation entered into the transaction for its own benefit;
- (c) The transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction; and
- (d) It was not reasonably practicable to obtain approval of the Board of Directors prior to entering into the transaction.

Section 10.04 **Disqualifying Non-Financial Interest**. Any member of the Board of Directors must likewise disqualify himself or herself when there exists a personal non-financial interest which will prevent the member from applying disinterested skill and undivided loyalty to the Corporation in making or participating in the making of decisions.

Section 10.05 **Procedure of Disqualification**. A Director required to disqualify himself or herself pursuant to Sections 10.01 or 10.04, above, shall (1) immediately disclose the interest, (2) withdraw from any participation in the matter, (3) refrain from attempting to influence any other Director, and (4) refrain from voting. The Director may be counted in determining whether a quorum is present.

Section 10.06 **No Invalidation of Action**. No action or decision of the Board of Directors or committee of the Board of Directors shall be invalid because of the participation therein by a Director or Directors in violation of this policy.

ARTICLE XI GENERAL CORPORATE MATTERS

Section 11.01 **Construction and Definitions**. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

Section 11.02 **Amendment of Bylaws**. New bylaws may be adopted, or these Bylaws may be amended or repealed, in any manner authorized under Section 7150 of the California Corporations Code, or in any other manner permitted by applicable law. Notwithstanding the foregoing, no amendment may extend the term of a Director beyond that for which such Director was elected.

Section 11.03 **Authority to Bind Corporation**. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose in any amount.

Section 11.04 **Amendments of Articles**. The Articles of Incorporation of this Corporation may be amended, repealed or new Articles adopted in any manner authorized under Sections 7810 *et seq.* of the California Corporations Code, or in any manner permitted by applicable law.

Section 11.05 **Insurance**. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising out of the officer's, Director's, employee's, or agent's status as such.

CERTIFICATE OF ADOPTION

I certify that I am the duly elected and acting Secretary of the SIERRA FOOTHILL CONSERVANCY, a California non-profit public benefit corporation, that the above Bylaws, consisting of nineteen (19) pages, are the Bylaws of this Corporation as adopted by the Board of Directors of this Corporation on March 24, 2007, and that said Bylaws have not been amended or modified since the date thereof.

Executed on March 24, 2007, at Tollhouse, California.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAR 15 2001**

SIERRA FOOTHILL CONSERVANCY TR
010196
PO BOX 529
PRATHER, CA 93651

Employer Identification Number:
93-6301478
DLN:
17053055744011
Contact Person:
NECO A SIKORA ID# 31381
Contact Telephone Number:
(877) 829-5500
Our Letter Dated:
July 1996
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

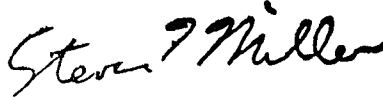
Letter 1050 (DO/CG)

SIERRA FOOTHILL CONSERVANCY TR

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in black ink that reads "Steven T. Miller". The signature is written in a cursive, flowing style.

Steven T. Miller
Director, Exempt Organizations

PROJECT SUMMARY

SNC Reference Number
(enter if previously assigned)

County: Madera

Applicant: Sierra Foothill Conservancy

Project Title: Topping Ranch Conservation Easement

PROJECT GOAL

Sierra Foothill Conservancy (SFC) has an incredible opportunity to expand land conservation in the central Sierra foothills by placing a conservation easement on 1,362 acres of the historic Topping Ranch. The major objectives for this project are to: 1) protect the physical, cultural, and living resources of the Ranch 2) expand land conservation and connectivity within the Fine Gold Creek Drainage and the San Joaquin River Corridor, and 3) preserve the viability of a working ranch and the local ranching infrastructure and economy.

The Topping Ranch Project is a good fit for SNC Proposition 84 funding because it protects the water quality of one of California's largest rivers, preserves a scenic view shed and diverse biological habitats, and maintains a large historic ranch that demonstrates the compatibility of viable working landscapes with the protection of natural resources in the Sierra Nevada.

PROJECT SCOPE

Topping Ranch is located on Kennedy Table, approximately seven miles east of the intersection of Highway 41 and Road 200 in Madera County. The Ranch encompasses the southern half of the top of Kennedy Table and its southern and western slopes. Kennedy Table is a key property within the Fine Gold Creek drainage and the San Joaquin River corridor.

The Ranch totals 1,962 stunning acres, which includes 600 acres of prime northern basalt-flow vernal pool habitat already protected under conservation easement. This portion of the Ranch is now a vernal pool mitigation bank permitted by the U. S Fish and Wildlife Service. The remaining 1,362 acres of Topping Ranch consists of blue oak woodland and annual grassland habitat.

In 2007, California Rangeland Trust purchased a conservation easement on the adjacent 2,400 acre Van Allen Ranch which borders Topping Ranch to the north. The completion of the Topping project will protect 4,350 contiguous rangeland, important vernal pool habitat and blue oak woodland habitat. This large block of private land is also contiguous with over 25,000 acres of federal and state lands along the upper San Joaquin River Corridor, which connects with the Sierra National Forest upriver.

The proposed project is the continuation of a twenty year long collaborative effort that has resulted in protected lands within the upper San Joaquin River Corridor and the Fine Gold Creek Drainage. Partners in this process include local landowners, the California Department of Fish and Game, the Bureau of Land Management, Bureau of Reclamation, the US Fish and Wildlife Service, Sierra Foothill Conservancy, The Trust for Public Land, The Nature Conservancy and the California Rangeland Trust. As shown by the map included in Section 12, the Topping Ranch is centrally located between other protected properties. The Kennedy Table Area has also been identified by the California Department of Fish and Game as an important area for land conservation in the Millerton Watershed Conceptual Area Protection Plan (CAPP).

By ensuring that Topping Ranch remains undeveloped, the water quality of the 2.4 miles of seasonal creeks (22,176 linear ft) which drain into Fine Gold Creek, and the San Joaquin River will be protected from added sediment and hazardous material runoff associated with development. Furthermore, the property will preserve an important working landscape by increasing the viability of the cattle operation far into the future.

LETTERS OF SUPPORT

Audubon California
 CA Department of Fish and Game
 California Native Plant Society
 Fresno Audubon
 Mary Ann McCrary, Former DFG Botanist

The Nature Conservancy
 The San Joaquin River Partnership
 Sierra Business Council
 Sierra National Forest

SNC PROJECT DELIVERABLES AND SCHEDULE

DETAILED PROJECT DELIVERABLES	TIMELINE
Complete Baseline Document Report	May 2011
Complete Management Plan	May 2011
Close Escrow and Record Conservation Easement	June 2011
Erect Sign on Property Recognizing Project	June 2011
Celebration Event and Press Release	June 2011
Submit Final Report to SNC	July 2011

SNC PROJECT COSTS

PROJECT BUDGET CATEGORIES	TOTAL SNC FUNDING
Direct Costs:	
Fair Market Value Purchase of Conservation Easement	\$820,000.00
Escrow Fees, Title Insurance, Closing Costs	\$3,500.00
Staff Time, Personnel Expense	\$6,320.00
Contracts/Consultants	\$1,800.00
Materials/Supplies (project related)	\$1,000.00
Appraisal	\$7,000.00
Indirect Costs:	
Performance Measure Reporting	\$1,320.00
Total Project Budget	\$840,940.00
Administrative Costs:	
Overhead (facilities, utilities, program supplies, insurance, etc.)	\$25,228.00
Grant management and financial oversight	\$16,722.00
SNC GRANT TOTAL	\$882,890

EVALUATION CRITERIA

A. Project Quality and Readiness

General Description

Sierra Foothill Conservancy (SFC) has an incredible opportunity to expand land conservation along the Upper San Joaquin River Corridor and the Fine Gold Creek Drainage by placing a conservation easement on the Topping Ranch. The Ranch is a scenic and important historic property located in the foothills of Madera County within the Fine Gold Creek watershed. The area surrounding the Ranch is snaked with flat tables of lava from a long ago volcanic eruption. These table tops are rich in biodiversity and include large areas of vernal pools.

The Topping Ranch has been in the Topping Family for over 100 years. The original deed, which was signed in 1886, represents a historic ranch that is owned and managed by a family with local Native American heritage. Bart Topping and his wife Cindy have managed the Ranch for many years and would like to use the money from the conservation easement to buy out other family members, keep the Ranch intact, and expand the ranching operation. A conservation easement on the Ranch would protect the natural, cultural and ranching resources of the property in perpetuity.

The Topping Ranch encompasses the southern portion of Kennedy Table which rises 2,600 feet above the San Joaquin River. The entire Ranch is 1,962 acres in size. Development from the west has increased significantly in the past two decades. In 2002, Sierra Foothill Conservancy worked with the Topping family to place a 600 acre conservation easement of the vernal pool habitat of the property. SFC is now seeking \$882,890 from the Sierra Nevada Conservancy to purchase a conservation easement on the remaining 1,362 acres of Topping Ranch.

The major objectives for purchasing a conservation easement on Topping Ranch are to: 1) protect the conservation values of the property including clean water resources, wildlife, and native habitat; 2) expand land conservation and connectivity within the Fine Gold Creek Watershed and the San Joaquin River Corridor; and 3) protect the viability of a working ranch and the local ranching and infrastructure and economy.

The proposed project is part of a larger conservation effort to protect important lands within the Fine Gold Creek Watershed and the San Joaquin River Corridor. Together, Sierra Foothill Conservancy and the California Rangeland Trust (CRT) have protected over 6,500 acres within the Fine Gold Creek Watershed through conservation easement and fee title. SFC has also protected an additional 4,371 acres of land in the San Joaquin River Corridor. Topping Ranch is a key property, as it is part of both areas.

The remaining 1,362 acres of Topping Ranch consists of blue oak woodland annual grassland and is located on the southwestern slope of Kennedy Table. The property borders 3.25 miles of federal lands to the south and east that are managed by BLM. The northern boundary of Topping Ranch is shared with the 2,400 acre Van Allen Ranch that

is protected with a conservation easement with CRT. The completion of the Topping Ranch Project would link over 30,000 acres of protected private, federal and state lands with the Sierra National Forest. The project would ensure the protection of a large and continuous corridor of wildlife and clean water resources from the foothills to Devils Postpile National Monument in the high Sierra.

The Topping Family is eager to complete the conservation easement on the remaining 1,362 acres of the Ranch. SFC has signed an option to purchase the conservation easement.

Work Plan and Schedule

The Sierra Foothill Conservancy is ready to move forward with the completion of the project contingent on receiving a grant of \$882,890 from the Sierra Nevada Conservancy. The requested funds would be used to cover the cost of the Topping conservation easement purchase and related expenses. The two additional factors that will affect the timeline and completion of the project are the State's approval of the appraisal and the transaction review.

The following is a schedule of tasks necessary to complete the project based on the assumption that the grant would be awarded in March 2011.

SNC PROJECT DELIVERABLES AND SCHEDULE

DETAILED PROJECT DELIVERABLES	TIMELINE
Complete Baseline Document Report	May 2011
Complete Management Plan	May 2011
Close Escrow and Record Conservation Easement	June 2011
Erect Sign on Property Recognizing Project	June 2011
Celebration Event and Press Release	June 2011
Submit Final Report to SNC	July 2011

Budget

The total project budget for the completion of the protection of the 1,962 acre Topping Ranch is estimated at \$1,322,570, of which SFC is requesting \$882,890 from the SNC Proposition 84 Grant Program. The funding request will be sufficient to complete the project and pay for direct costs associated with purchasing the 1,362 acre conservation

easement valued at \$820,000, closing costs (\$3,500), staff expense to draft the necessary documents (\$6,320), legal fees (\$1,800), development and placing of the signs recognizing SNC Proposition 84 funds (\$1,000), and reimbursement for the land appraisal (\$7,000). The indirect costs that SFC is seeking funding for include staff time for conducting performance measures and completing project reports. We have estimated this to be \$1,320. Administrative fees include overhead such as facilities, utilities, program supplies, insurance and grant and financial management. The value of the administrative fees is based on 5% of the total project budget and is estimated to be \$41,950. A detailed budget is included in the following section. A summary of this budget is included below.

SNC PROJECT COSTS

PROJECT BUDGET CATEGORIES	TOTAL SNC FUNDING
Direct Costs:	
Fair Market Value Purchase of Conservation Easement	\$820,000.00
Escrow Fees, Title Insurance, Closing Costs	\$3,500.00
Staff Time, Personnel Expense	\$6,320.00
Contracts/Consultants	\$1,800.00
Materials/Supplies (project related)	\$1,000.00
Appraisal	\$7,000.00
Indirect Costs:	
Performance Measure Reporting	\$1,320.00
Total Project Budget:	\$849,890
Administrative Costs:	
Overhead (facilities, utilities, program supplies, insurance, etc.)	\$25,228.00
Grant management and financial oversight	\$16,722.00
SNC GRANT TOTAL	\$882,890

In-kind and matching contributions to the project total roughly \$439,680. This includes activities that have already taken place including the value of the donated 600 acre conservation easement of the vernal pool habitat, staff time for conservation planning for the San Joaquin River and Fine Gold Creek areas, staff time for landowner negotiations and the volunteer land committee consultant hours.

If the proposed project is successful additional in-kind contributions will include staff time for project outreach and communication, materials and other expenses related to public outreach, staff time and volunteer hours for the project celebration and SNC recognition, and a \$41,000 donation from the landowner towards SFC's stewardship fund for ongoing monitoring and easement defense.

The requested investment from SNC to complete protection of the 1,962 acre Topping Ranch is leveraged by in-kind contributions from the landowner, SFC staff time, private

and agency consultants and conservation organization partners who have invested significant time and funds into targeting the property for land conservation.

The proposed project will have a positive economic impact by conserving natural resources and by saving State and County funds in the long term. Placing a conservation easement on the property will protect clean and limited water resources while keeping the Ranch on the tax rolls and in private ownership and management. Elimination of development rights on the property will reduce Madera County's burden to provide expensive service infrastructure such as fire protection and road maintenance.

Restrictions, technical documents and agreements

Topping Ranch is currently zoned A-1 40 acre parcels and enrolled in the Williamson Act. The property is in a living trust. SFC has received an appraisal for the Topping Ranch Conservation Easement of \$820,000. The landowners have signed a letter indicating their willingness to sell a conservation easement on the property. SFC has also received a preliminary title report for the property and there are no encumbrances that will pose a threat to project completion. A draft conservation easement has been completed and included in this application package.

The Madera County Office of Planning has provided SFC with a written notice of exemption which is included in this submission. The Planning Department has determined the project is categorically exempt from CEQA based on the goal of perpetuating grazing habitat and open space, and because the property transfer would be between two private parties and does not constitute a discretionary activity involving the County.

B. Proposition 84 Land and Water Benefits

The Topping Conservation Easement Project will have a significant and positive impact for protecting natural resources within the San Joaquin River Corridor and surround area. The proposed 1,350 acre conservation easement is contiguous with private, federal, and state protected properties that will create a continuum of conservation land that protects the watershed, valuable grazing land, native plant habitat, and wildlife corridors. The conservation easement will prevent the property from being lost to residential development and prevent the pollution, erosion, and degradation of water resources associated with such development.

Topping Ranch is located within the Fine Gold Creek Drainage. The property has 4.2 miles of seasonal streams of which 2.4 miles flows into Fine Gold Creek, while the remaining 1.8 flows directly into Millerton Lake. Fine Gold Creek is the largest tributary flowing into the San Joaquin above Friant Dam. As with all streams in the central Sierra foothills, the streams on the Ranch dry up in summer months.

Given the sloping terrain of Topping Ranch, converting the property from grazing land to residential development could significantly increase sedimentation into Fine Gold Creek and would have adverse impacts on water quality and aquatic wildlife. Development of the property would also greatly increase risk of surface and ground water contamination through septic systems and pollution generally associated with residential development.

Placing a conservation easement on the 1,362 remaining acres of Topping Ranch will create a buffer for sensitive vernal pool species and will protect important blue oak woodland and annual grassland habitat. Sensitive vernal pool species include succulent owl's clover (*Castilleja campestris*,) Bogg's lake hedge hyssop (*Gratiola heterosepala*,) San Joaquin Valley orcutt grass (*Orcuttia inaequalis*,) and vernal pool fairy shrimp (*Branchinecta lynchi*). The blue oak woodland habitat on the property includes an overstory of widely spaced blue oaks, foothill pine and interior live oak while the understory largely consists of annual grasses and native forbs.

Annual grasslands of Topping Ranch, like grasslands throughout the region, are productive biotic habitats supporting a large diversity of native terrestrial vertebrates. The burrows of rodents that breed and forage in the grasslands provide cover for various amphibian and reptile species. Grasslands provide food for resident raptors and seed eating birds. The dense cover of native and non-native grasses and forbs provide cover for large populations of small mammals.

The intermittent stream habitat on the Ranch is important for a variety of wildlife that depends upon water resources on the property. The Ranch includes seasonal creeks and springs. Mammals and predatory birds depend on these water resources for drinking water and foraging habitat.

Topping Ranch hosts a wide range of important and common foothill wildlife species. Some of the less common species include western spadefoot toad, western pond turtle, mastiff bat, and American badger. Bird species that have been viewed from the Ranch include bald eagles, golden eagles, Swainson's hawks, northern harriers, and white-tailed kites.

If the Ranch were to be subdivided and developed the habitats described here would become fragmented and/or destroyed and would no longer be able to support such a rich diversity of species. The protection of the Topping Ranch will help ensure that the watershed, native plant, wildlife and grazing values of this property will be maintained far into the future.

The Topping Ranch Project will create a continuum of protected lands that range from the foothills into the Sierra Nevada range. This may play an important role as we experience the growing effects of climate change. Although the effects of climate on habitat are largely uncertain, research suggests that it is likely that oak woodlands in California will move upslope into higher elevations.¹ By placing a conservation

¹ Kueppers, L.M. et al. 2005. Modeled regional climate change and California endemic oak ranges in Proceedings of the National Academy of Sciences of the United States of America.

easement on the remaining 1,362 acres of Topping Ranch, there will be opportunities for plant and animal species to move upslope as climate shifts. Removing the development rights to the property will also help maintain current carbon sequestration by oak woodlands and grasslands on the Ranch.

C. SNC Program Goals

The Topping Conservation Easement project addresses several SNC Program Goals. They are as follows:

Goal 1: Provide increased opportunities for tourism and recreation. The Topping Family has been very generous in providing opportunities for SFC staff to lead guided hikes of the scenic property. Land management demonstration tours of the Ranch are occasionally given for visiting scientists and agency folks. Natural history classes have been taught on the property as well and these classes are open to the general public. There are few opportunities for connecting with private lands in the Sierra foothills. By expanding the Ranch, SFC is likely to be able to continue work with the Topping Family to continue to offer opportunities for public recreation and conservation education.

Goal 2: Protect, conserve, and restore the region's physical, cultural, archaeological, historical, and living resources. This project protects a scenic view shed of one of California's largest rivers. Kennedy Table, with its interesting geological formations, 4.2 miles of streams and diverse plant and wildlife habitat, represents the physical and living resources that will be conserved through this project. Cultural resources on the Topping Ranch include several archeological sites that will be protected from development. Because ranching is also an important part the historical and cultural heritage of Madera County and the Sierra Nevada Region, placing a conservation easement on the property helps to ensure that the ranching values of the property will be conserved into the future.

Goal 3: Aid in the preservation of working landscapes. The Topping project directly preserves a 1,962 acre working ranch. The Ranch has been owned by the Topping Family for over 100 years, as the original deed was signed in 1886. The Ranch is a cow-calf beef cattle operation from October to June and serves as a model for other beef producers, as it demonstrates the compatibility of best management grazing practices and associated ecological services with a financially viable cattle ranch. Purchasing the development rights of the property will provide the Topping Family with funds to expand their cattle operation by purchasing adjoining pieces that are also at risk for residential development.

Goal 4: Reduce the risk of natural disasters such as wildfires. Cattle grazing on the ranch will continue to reduce annual invasive grasses and wildfire fuel loads. Wildfires are also less likely to occur when there are fewer people living in the area. By protecting the property from residential development, we are decreasing the likelihood of future human induced wildfires in the area.

Goal 5: Protect and improve water and air quality. The Topping project will protect water quality within the Fine Gold Creek Drainage and the San Joaquin River Corridor by preventing the conversion of the land to uses that would be harmful to the watershed. As mentioned in the previous section the Ranch contains 4.2 miles of streams and several springs. If the property were to be developed in the future, the removal of woody vegetation and severe soil disturbance would increase surface run-off and sedimentation into Fine Gold Creek and the San Joaquin River. Development of the property would also greatly increase risk of surface and ground water contamination from septic systems and pollution generally associated with residential development. Keeping the Ranch undeveloped also helps conserve limited water resources in the area. Decreased water quality and quantity could negatively impact salmon restoration efforts below Friant Dam.

Like many other counties within the central Sierra, the air quality in Madera County is among the worst in the nation. Ensuring that the oak woodlands and grasslands of the Topping property remain intact will promote the continued absorption of carbon monoxide reducing harmful air pollutants.

Goal 6: Assist the regional economy through the operation of SNC's program. By protecting a sustainable cattle operation and providing funds for the future expansion of the Topping Ranch the proposed project will aid the regional economy. Ranching is an important part of the Madera County rural economy and the preservation of the ranching industry and infrastructure is important to the economy of the Sierra Nevada at large. Removing the development rights of Topping Ranch also assists the local economy because it does not add significant expenses of supplying services to rural residential developments that may otherwise be built in the project area.

D. Cooperation and Community Support

The proposed project is the continuation of a twenty year long collaborative effort that has resulted in protected lands within the upper San Joaquin River Corridor and the Fine Gold Creek Drainage. Partners in this process include local landowners, the California Department of Fish and Game, the Bureau of Land Management, Bureau of Reclamation, Sierra Foothill Conservancy, the US Fish and Wildlife Service, The Trust for Public Land, The Nature Conservancy, California Rangeland Trust and, most recently The San Joaquin River Partnership.

SFC has agency, organization, and local community support for the Topping Conservation Easement. Kennedy Table and its surrounding area have been identified by the California Department of Fish and Game as an important area for protection in the Millerton Watershed Conceptual Area Protection Plan (CAPP). The CAPP was developed in cooperation with the Department of Fish and Game and demonstrates the importance of Topping Ranch as a priority property for land conservation.

The San Joaquin River Partnership, which consists of a dozen conservation groups collaborating on restoration and land conservation efforts on the River, supports the

proposed Topping project. Although the Partnership is largely focused on restoration below Friant Dam, the group has identified land conservation above the dam as important for long-term success of the restoration of the San Joaquin River. Sierra Foothill Conservancy is a member of the Partnership. Some of the other partners include The San Joaquin River Parkway and Conservation Trust, The Trust for Public Land, River Partners, PRBO Conservation Science, and Ducks Unlimited. This past spring, SFC provided a tour of Topping Ranch to the Partnership to engage support for the proposed conservation easement. Recognizing the importance of the property for the Fine Gold Creek Drainage and the upper San Joaquin River Corridor, the group has formally demonstrated their support through a letter included in this grant submission.

The Topping Family has been generous in allowing agency and organization biologists to conduct biological studies on the Ranch. Both DFG and California Native Plant Society (CNPS) have collected diversity data on the property. Other agency/organizations that support the project include the U.S Forest Service and The Nature Conservancy. The property links private, state, and federal lands that will maintain a critical corridor to the Sierra National Forest. The Forest Service's support for this project is based on this linkage as well as the botanical diversity of the property that should be protected in perpetuity. CNPS has conducted plant surveys on Topping Ranch. The group supports the project because it will protect important native plants on the property. Project letters of support from Audubon California, DFG, CNPS, Fresno Audubon, The Nature Conservancy, The San Joaquin River Partnership, Sierra Business Council, and the U.S Forest Service are included with this submission.

The Topping Ranch project has been highlighted as an important project that helps meet Sierra Foothill Conservancy's mission to protect biologically significant lands and family ranches in the foothill region. The property itself, serves as an ambassador for demonstrating the benefits of effective land-owner partnerships that result in the conservation of natural, cultural, and local economic resources. The 600 acre vernal pool mitigation bank with U.S Fish and Wildlife Service and the conservation easement held by SFC along with the adjacent Van Allen Ranch easement with the California Rangeland Trust demonstrates that level of interest, cooperation and support for land protection on Kennedy Table. a

As mentioned earlier, SFC leads guided hikes, classes, and tours of the natural history and rangeland management practices of the property. The completion of the Topping conservation easement would provide an opportunity to share with our 1,100+ members and the general public about the community and state benefits of Prop 84 funds for land and water protection. Announcements of the project would go out in our quarterly newsletter and in two local newspapers. Signs would be placed on the Topping Property to announce the critical role of Sierra Nevada Conservancy and Prop 84 funds.

A celebration of the completed conservation easement would take place on the Ranch. Local public officials, agency partners, SFC members, and media folks would be invited to attend. The backdrop of the scenic San Joaquin River and the snow capped Sierra

would emphasize the connection of Prop 84 funds that benefit land, water, and working landscapes.

E. Project Design, Management, and Sustainability

Since 1996, Sierra Foothill Conservancy has been very successful in purchasing properties and partnering with private landowners to help conserve private ranches with conservation easements. SFC's conservation efforts are focused on connecting properties with rare species and/or critical habitat to large blocks of protected land such as our preserves, easement lands, and National Forest and National Parks. To date, we have protected over 20,000 acres of foothill lands throughout Fresno, Madera, and Mariposa counties. We currently own and manage six nature preserves totaling roughly 6,000 acres and have successfully completed twenty-two conservation easements.

SFC has a stewardship fund in place and the staffing capacity to acquire, monitor, and conduct performance measures for the Topping Conservation Easement. The staff spends a great deal of time vetting potential projects and has a clear track record of only moving forward on projects with significant conservation benefits. Topping Ranch has been targeted by SFC for many years as a critical connecting piece for private, state, and federally protecting lands within the San Joaquin River Corridor. The project is well thought out and has the support of agencies, organizations and members in the community. Like all other conservation easements that SFC holds, Topping Ranch will be monitored annually to ensure that the resource values of the property are maintained. In addition to monitoring, all performance measures will be evaluated and reported in accordance to the SNC project timeline.

The properties which border the Topping Ranch to the north, east and south include protected private, federal and state lands. The proceeds from placing a conservation easement on the Ranch will be used by the Topping Family to expand their cattle operation. The western border, which is also zoned as A-1 40 acre parcels is at risk for development and has been targeted for land conservation. By building a larger block of protected properties SFC can help sustain grazing, native species and clean water resources directly adjacent to the state and federal land surrounding Millerton Lake and lower Fine Gold Creek.

Long-Term Management Plan

The landowner, with advice from SFC, will be responsible for the long-term management of the property. The proposed conservation easement does not include any additional home sites and will maintain all of the aesthetic values of the property. The conservation easement also restricts activities that would be harmful to the long term sustainability of the resources present on the property and requires the landowner to prepare a management plan in cooperation with SFC.

The management plan will address the number of cattle on the property and duration of grazing as well as ensure grazing is conducted so as to maintain and improve the wildlife habitat and water quality present on the property. The management plan will also address invasive species control when necessary. The long-term management of the property will be paid for by the landowner and funded through income from the cattle operation. As indicated in the Performance Measures, the landowners may use SNC funds from the easement sale to increase the viability of the ranch. SFC will report the long term management benefits of such investments.

Currently the ranch is utilized as late fall, winter and spring range for commercial cattle grazing. The upper areas of the Ranch already under conservation easement with SFC are grazed in the fall and early winter in accordance with the Kennedy Table Management Plan. In the early spring, cattle are moved to the lower elevations on the ranch which accounts for a majority of the proposed easement. These activities are conducted by the landowner in accordance with the management plan. SFC monitors the Kennedy Table easement twice annually, once prior to the grazing season and once after the cattle has been moved to the lower portions of the ranch. This is in order to ensure that minimal residual dry matter levels in the sensitive vernal pool areas are maintained within the needed range. The conditions of the lower portions of the property will be assessed annually as part of the monitoring process and in accordance with SFC's monitoring policy.

The current activities include livestock grazing and limited non income producing recreational uses consisting of educational hikes and classes led by SFC volunteers, and demonstrative tours led by SFC board and staff. Potential activities include hiking, wildlife observation, horseback riding, and other agricultural tourism opportunities.

The Kennedy Table Management Plan which applies directly to the existing easement also provides guidelines for the entire ranch. The Plan was developed by a local environmental consulting firm and approved by US Fish and Wildlife Service, California Department of Fish and Game, SFC and the landowners. The guidelines of this plan will be used to help draft the new management plan for the proposed project.

The Topping Ranch Project may be used a model for successful collaborative conservation in the Sierra Nevada region because of the multiple partners involved and the various project phases. With the completion of the conservation easement on Topping Ranch, a contiguous block of over 4,562 acres of privately protected land will connect to over 25,000 acres of land owned by BLM, BOR, and State Parks. The project will be a model for success that clearly demonstrates the significant conservation impact that results when neighboring landowners, agencies, and local land trusts work together to protect land and water resources.

DETAILED BUDGET FORM					
State of California - Sierra Nevada Conservancy					
APPLICANT NAME: Sierra Foothill Conservancy					
SNC REF #:					
PROJECT TITLE: Topping Ranch Conservation Easement					
PROJECT TYPE (choose one):					
<input checked="" type="checkbox"/> ACQUISITION <input type="checkbox"/> SITE IMPROVEMENT <input type="checkbox"/> RESTORATION <input type="checkbox"/> PRE PROJECT PLANNING					
SECTION ONE DIRECT COSTS	QTY	UNIT*	UNIT COST	SUBTOTAL	SNC Grant Request
Acquisition Purchase					
Conservation Easement Purchase	1	1	\$820,000	\$820,000	\$820,000
Closing Costs (Escrow fees and title insurance)	1	1	\$3,500	\$3,500	\$3,500
TOTAL:				\$823,500	\$823,500
Staff/Personnel Expense - Project Related Wages/Benefits					
Development of the baseline documentation report	1	1	\$3,000.00	\$3,000.00	\$3,000.00
Conservation Management Plan	1	1	\$2,000	\$2,000.00	\$2,000.00
Conservation Easement Drafting	24	hour	\$55.00	\$1,320.00	\$1,320.00
TOTAL:				\$6,320.00	\$6,320.00
Contracts/Consultants - Project Related					
Legal Review of Conservation Easement	6	hour	\$300.00	\$1,800.00	\$1,800.00
TOTAL:				\$1,800.00	\$1,800.00
Materials/Supplies - Project Related					
Sign recognizing SNC and Prop 84 funds	1	1	\$1,000.00	\$1,000.00	\$1,000.00
TOTAL:				\$1,000.00	\$1,000.00
Fees - Appraisal/Permits/CEQA/Easement					
Appraisal	1	1	\$7,000.00	\$7,000.00	\$7,000.00
TOTAL:				\$7,000.00	\$7,000.00
DIRECT COSTS SUBTOTAL:				\$839,620.00	\$839,620.00
SECTION TWO INDIRECT COSTS	QTY	UNIT*	UNIT COST	SUBTOTAL	SNC Grant Request
Performance Measure reporting					
Performance Measure evaluation and interim and final reports	24	Hour	\$55.00	\$1,320.00	\$1,320.00
TOTAL:				\$1,320.00	\$1,320.00
INDIRECT COSTS TOTAL:				\$1,320.00	\$1,320.00
PROJECT TOTAL:				\$840,940.00	\$840,940.00
SECTION THREE ADMINISTRATIVE COSTS					
Overhead (facilities, utilities, program supplies, insurance,etc.) 3% of project total				\$25,228.00	\$25,228.00
Grant management and financial oversight including annual audit 2% of project total				\$16,722.00	\$16,722.00
ADMINISTRATIVE TOTAL:				\$41,950.00	\$41,950.00
SNC TOTAL GRANT REQUEST:				\$882,890.00	\$882,890.20

PROJECT BUDGET DETAILS					
State of California - Sierra Nevada Conservancy					
APPLICANT NAME: Sierra Foothill Conservancy					
SNC REF #:					
PROJECT TITLE: Topping Ranch Conservation Easment					
PROJECT TYPE (choose one):					
<input checked="" type="checkbox"/> ACQUISITION <input type="checkbox"/> SITE IMPROVEMENT <input type="checkbox"/> RESTORATION <input type="checkbox"/> PRE PROJECT PLANNING					
SECTION FOUR OTHER PROJECT CONTRIBUTIONS	QTY	UNIT*	UNIT COST	Contribution	Status**
List other funding or in-kind contributors to project					
Regional conservation planning	500	hour	\$55.00	\$27,500.00	Completed
Donated conservation easement on 600 vernal pool acres of	1	1	\$360,000.00	\$360,000.00	Completed
Easement negotiaions (staff time and travel)	40	hour	\$55.00	\$2,200.00	Mostly
Volunteer hours from four land committee consultants	24	hour	\$120.00	\$2,880.00	Completed
Staff time for communications, outreach, and project celebration	60	hour	\$55.00	\$3,300.00	SNC Grant
Expenses associated with communication and outreach including travel for presentations and land tours, printing materials, postage, electronic communications, etc.			\$1,000.00	\$1,000.00	SNC Grant pending
Volunteer hours for project celebration and recognition event	30	hour	\$10.00	\$300.00	SNC Grant
Project completion celebration costs (food, beverage, rentals etc.) for up to 200 attendees	1	1	\$1,500.00	\$1,500.00	SNC Grant pending
Land owner donation for monitoring endowment and easement defense (5% of purchase cost)	1	1	\$41,000	\$41,000.00	SNC Grant pending
TOTAL OTHER CONTRIBUTIONS				\$439,680.00	
SNC TOTAL GRANT REQUEST:				\$882,890.00	
TOTAL PROJECT BUDGET:				\$1,322,570.00	

PERFORMANCE MEASURES

1) Number of People Reached

SFC plans to host a large celebration upon completing the Topping Conservation Easement. The celebration would announce SNC's role in awarding Prop 84 funds for protecting the land, water, and working landscape resources of the Topping Ranch. We plan to invite SFC members, neighboring landowners, government officials, SNC board and staff, media representatives and conservation and resource professionals. Because Topping Ranch is already a model for demonstrating the compatibility of resource conservation and ranching throughout the region, we expect a high level of participation celebrating the completion of the project and estimate roughly 200 attendees. SFC will note the number of attendees from each community for reporting purposes.

SFC will publish four articles announcing the project's success with SNC Prop 84 funding in the *Fresno Bee* (statewide distribution which circulates 157,546 papers daily and 180,043 on Sunday,) The Madera Tribune (4,590 publications circulated daily,) the local Prather area *Mountain Press* (2,200 publications circulated weekly in the Prather Fresno Area,) and in our newsletter *The Foothill Advocate* which is distributed to our entire membership of over 1,100 members. Additionally we will post an announcement of the project's completion on our website and to our electronic contact list.

As a member of the San Joaquin River Partnership, SFC will be able to post the success of Topping Ranch to the Partnership website and will encourage partners of the group to send out an announcement of the success of a project to their individual lists. The project will be an opportunity for the San Joaquin River Partnership to demonstrate the critical connection between successful restoration efforts below the dam and land conservation efforts in the upper San Joaquin River Watershed. SFC will track the number of hits to the Partnership website while the article of Topping Ranch is posted and determine the number of folks reached via partnership organization groups.

SFC conducts many presentations to local business groups, agencies, and community organizations. Topping Ranch has been highlighted presentations and recognizing the support of SNC and Prop 84 funds will provide support and outreach to key stakeholder groups within the region. Tours and guided hikes of Topping Ranch occur regularly throughout the late winter and spring and this will provide additional opportunities for SNC and Prop 84 recognition. SFC will report the number and make-up of attendees for presentations and tours related to Topping Ranch.

2) Dollar value of resources leveraged for the Sierra Nevada

Conservation planning which includes decision making, agency meetings and input, and fundraising strategies for projects in these two areas has required a significant amount of staff, consultant, and volunteer time. We estimate that Sierra Foothill Conservancy (SFC) has invested roughly 500 staff hours into conservation planning for the area, which has a dollar value of about \$27,500. Easement negotiations for Topping Ranch by SFC staff and reviews by the volunteer land committee, which largely consists of biologists and ecologists are valued to be over \$5,000 based on hourly consultant fees.

If the project is successful, SFC will be conducting outreach via newsletters and announcements, media outlets, organizational partnership contacts, community presentations, land tours, and a project celebration. The expenses associated with these activities will be incurred by SFC and organizational partners. We estimate the dollar value of this to be approximately \$6,100.

The Topping Family has agreed to donate 5% of the value of the conservation easement back to SFC for our monitoring and easement defense fund. This is valued at \$41,000. The Topping Ranch Conservation Easement will complete land protection for the entire 1,962 acres. The six hundred acres already protected under a donated conservation easement with SFC is valued at roughly \$360,000. This brings the total of funds leveraged for the completion of the Topping Ranch to be approximately \$439,680.

The completion of the Topping Project would provide the kind of visibility that would generate excitement and likely build a more robust case for future investment in land conservation in the central Sierra region. Although estimating the dollar value of this is difficult, it is a significant leverage of California tax dollars.

3) Number of Jobs Created

The Topping Family has expressed a desire to improve some of the infrastructure of the Ranch and expand the cattle operation. Improvements include water development and fencing repair. This is likely to increase the number of jobs associated with the ranch by 4.0 FTE positions, of which one is likely to be long-term. SFC will report on the number of jobs created and the length of employment for positions associated with the improvement and expansion of Topping Ranch. This information will be included in the final grant reports to SNC.

4) Number of New, Improved, or Preserved Economic Activities

The completion of the Topping Ranch Conservation Easement will ensure the preservation of a major historic ranch in Madera County. Although this is just one ranch, the number of economic activities dependent on family ranchers like the Toppings is notable. The Topping Ranch includes 1,962 acres of viable grazing land that generates feed for approximately 300 cow-calf pair annually. At an average market value of \$680/calf, the protection of this working landscape also preserves approximately \$204,000 of local beef sale income. The viability of the cattle operation is dependent upon local slaughterhouses, feed stores, fence builders, veterinarians, stock yards, and cowboys. Ensuring that Topping Ranch remains an intact working landscape also preserves the employment of 2+ people and the preservation of potential grazing lease income equivalent at \$6/acre=\$11,772/year.

If this grant proposal is successful, the Topping's will likely use some of the funds to repair and improve the cattle infrastructure of the ranch. Improving infrastructure will increase livestock productivity by decreasing the number of cows lost due to unrepaired fences. For the final project report, SFC will interview the landowners to determine what improvements or enhancements have been made that support economic activities.

6) Linear feet of stream bank protected or restored

The Topping Ranch includes 4.2 miles of seasonal streams, representing 22,176 linear feet of stream bank that will be protected through this project. The streams flow into Fine Gold Creek, a tributary of the San Joaquin River, and directly into Millerton Lake on the San Joaquin River.

8) Number of special significance sites protected and preserved

The property has four archeological sites on the property, all of which are bedrock mortar sites near seasonal creeks. Protection of the Topping Ranch will help ensure that the integrity of these cultural sites will not be compromised by development or vandalism.

11) Acres of Land Conserved

The proposed Topping Project will conserve 1,362 acres of natural habitat and working landscape. There are no new home site developments allowed in the easement and this will help protect the scenic upper San Joaquin River view shed and conserve the water, plant, and wildlife resources of the property. Placing a conservation easement on the remaining 1,362 acres of the Ranch will also create a buffer for the 600 acres of vernal pools and will complete the conservation of the entire 1,962 Topping Ranch.

ENVIRONMENTAL SETTINGS AND IMPACTS

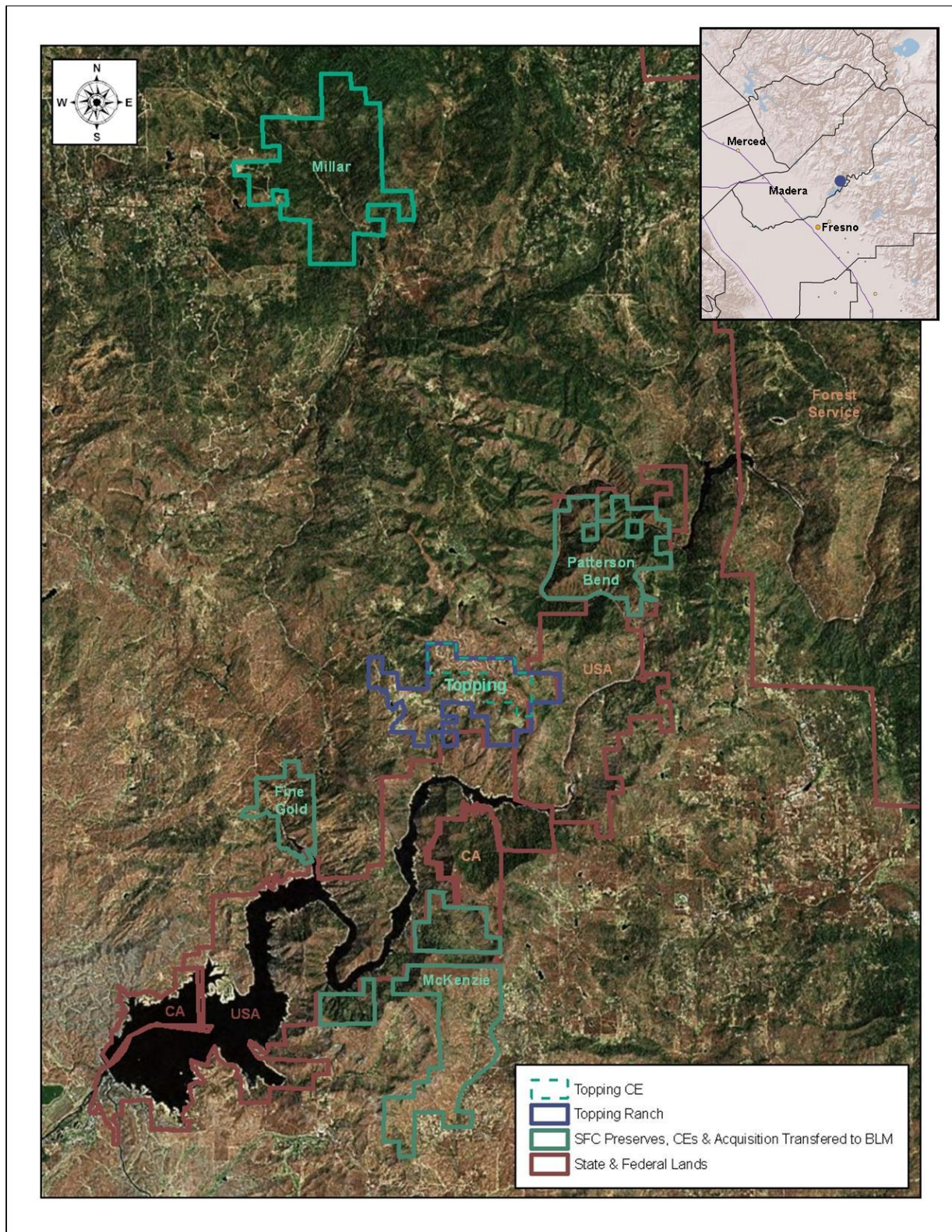
Topping Ranch varies from gentle rolling hills to steep rugged slopes and ranges from approximately 1,000 to over 2,300 feet in elevation. Habitat types on the Ranch include annual grassland with large areas of blue oak woodland, mixed oak woodland, mixed chaparral and sloping volcanic cliffs and tables. Annual rainfall ranges from 18 to 22 inches with the rainy season normally starting in October and running through April.

The Topping Ranch includes 1,962 acres; the proposed project is to fund the remainder of the conservation easement on the Ranch consisting of 1,362 acres not currently protected. The protection of the remainder of the Ranch would provide a protected buffer for the vernal pool lands while ensuring the viability of the Ranch as a large intact property.

Currently the Ranch is utilized as late fall, winter and spring range for commercial cattle grazing. The upper areas of the ranch that have already been placed under conservation easement with SFC are grazed in the fall and early winter in accordance with the Kennedy Table Management Plan adopted when the easement was established. In the early spring, cattle are moved to the lower elevations on the ranch which accounts for a majority of the proposed easement.

This Property shares its southern boundary with over three and a half miles of State and Federal land around Millerton Lake and the San Joaquin River. The northern boundary is shared with a 2,400 acre conservation easement on the Van Allen Ranch. Once this project is completed a continuous block of over 30,000 acres of private, state, and federal lands will be conserved within the San Joaquin River Corridor protecting diverse and unique plant and animal species, maintaining a scenic wildlife corridor, and protecting water resources.

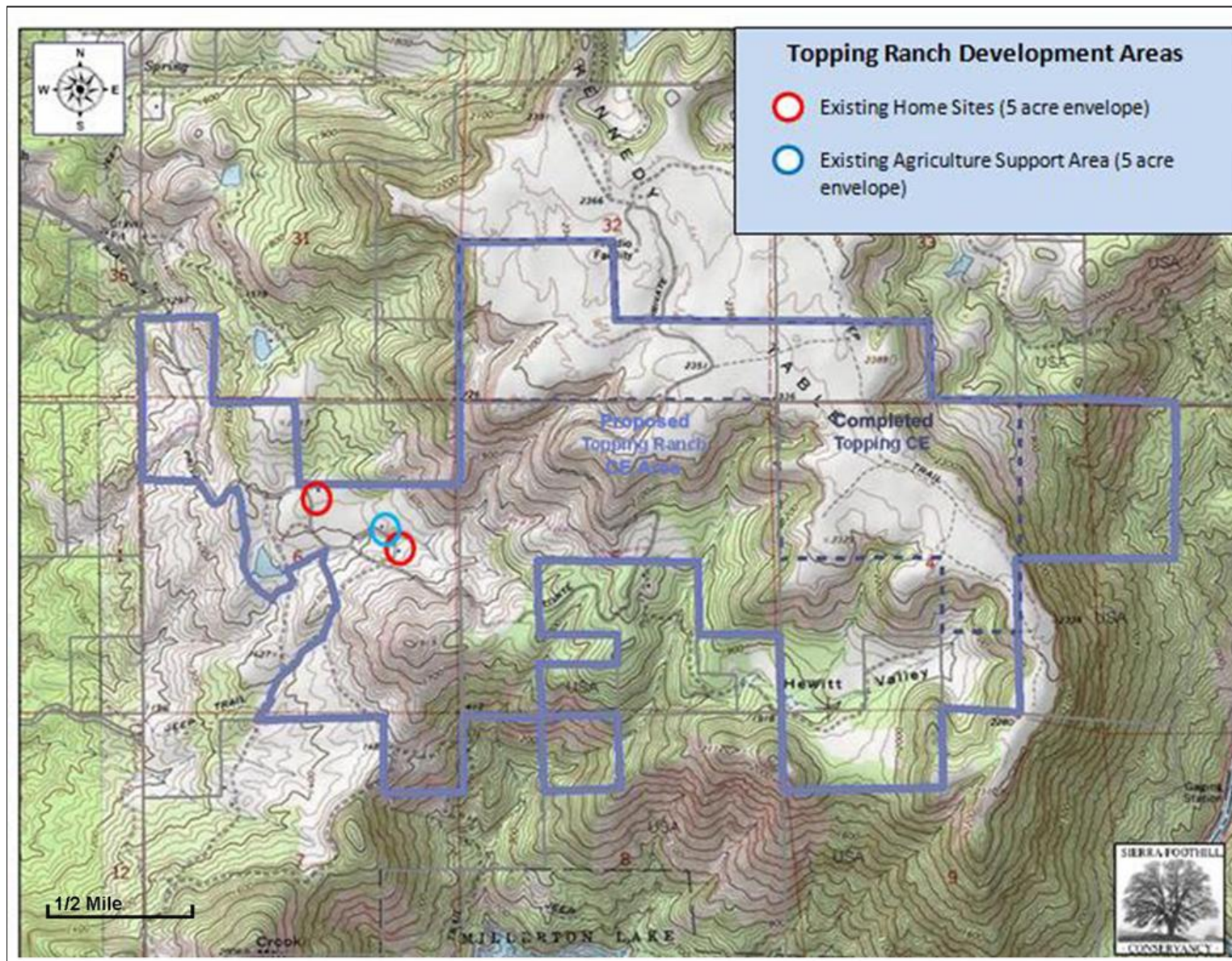
PROJECT LOCATION MAP



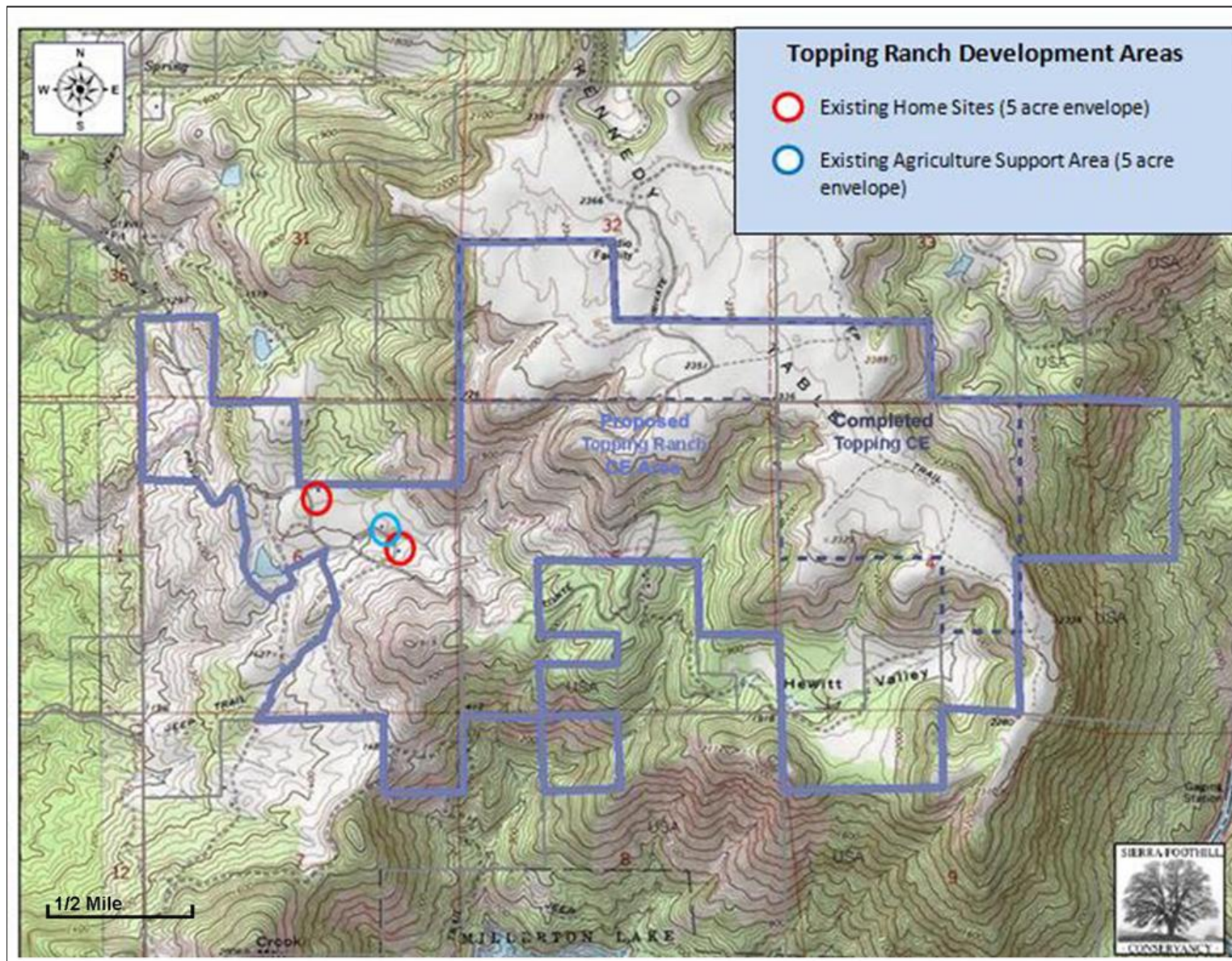
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Proposed Project Area for 1,362 acre Conservation Easement

TOPOGRAPHIC MAP



TOPOGRAPHIC MAP



Photos of the Proposed Topping Ranch Project

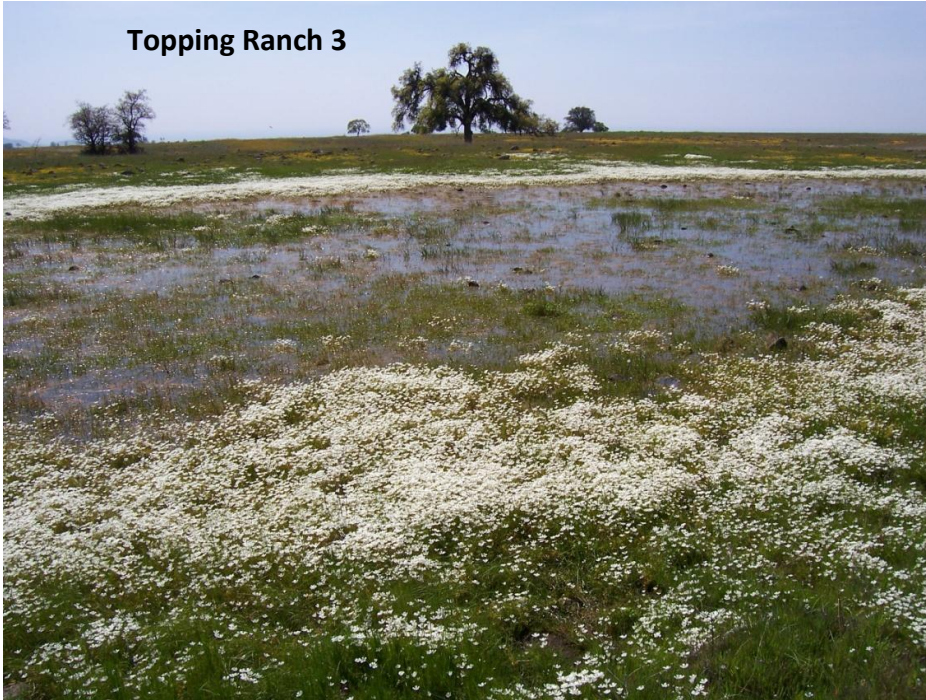


This photo is taken from a portion of the property already placed under conservation easement. The view looks onto the western slope of the proposed project area to protect the remaining 1,362 acres of Topping Ranch.

View from the Topping Ranch looking south west toward Millerton Lake on the San Joaquin River. This photo shows the blue oak woodland habitat and rolling hillsides to be conserved by the proposed conservation easement.



Topping Ranch 3



This picture shows the sensitive vernal pool area already protected by the 600 acre Kennedy Table Conservation easement. The proposed project will create a buffer for sensitive vernal pools habitat and complete the protection of the entire Ranch.

Topping Ranch 4



This photo shows the blue oak woodland and rolling hills of the Topping Ranch. Annual grassland mixes with blue oaks and live oaks on the majority of the property.

Topping Ranch 5



Topping Ranch is a 1,962 acre historic working landscape. This photo is of Bart Topping after a morning of herding cattle. Views of the High Sierra are part of what makes this Ranch so scenic.

ACQUISITION SCHEDULE

Parcel Information and Acquisition Schedule: Topping Conservation Easement				
Willing Seller: Bart and Cynthia Topping Topping Ranch P.O. Box 2 O'Neals, CA 93645			Willing Seller: Jane E. Topping Leonard and Jane Topping Family Trust P.O. Box 48 O'Neals, CA 93645	
Assessor's Parcel Numbers	Acreage	Value Before CE \$1,100/acre	Value After CE 500\$/acre	CE Value Purchased with SNC Funds \$602.056/acre
051-130-023	426	\$ 468,600	\$ 213,000	\$ 256,475.86
051-130-003	456	\$ 501,600	\$ 228,000	\$ 274,537.54
051-130-008	40	\$ 44,000	\$ 20,000	\$ 24,082.24
051-130-006	320	\$ 350,000	\$ 160,000	\$ 192,657.92
050-232-007	120	\$ 132,000	\$ 60,000	\$ 72,246.72
Totals	1,362	\$ 1,496,200	\$ 681,000	\$820,000
Rounded Totals	1,350	\$ 1,500,000	\$ 680,000	\$ 820,000
Acquisition Schedule				
Task			Estimated Completion	
Finalize Easement Language Including Legal Review			May 2011	
Complete Baseline, Management & Monitoring Plans			May 2011	
Finalize Escrow Instructions			June 2011	
Close Escrow and Record Conservation Easement			June 2011	

To: Sierra Nevada Conservancy

From:

Bart and Cindy Topping
And
Jane Topping

PO Box 2
O'Neals CA 93645

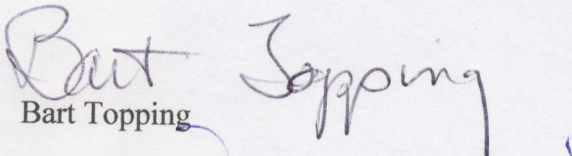
And


Sierra Foothill Conservancy

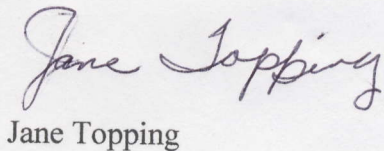
To whom it may concern,

This letter is to declare our willingness to sell a conservation easement on the remaining 1350 acres not under conservation easement on Topping Ranch. We agree to sell to Sierra Foothill Conservancy a conservation easement for the price determined by appraisal using funds from the proposition 84 grant funding program through Sierra Nevada Conservancy.

Thank you for considering this project for funding.


Bart Topping


Cindy Topping


Jane Topping

Recording requested, and when
Recorded, return to:

Sierra Foothill Conservancy
P. O. Box 529
Prather, CA 93651

With a conformed copy to:

Bart and Cynthia Topping
Topping Ranch
P.O. Box 2
O'Neals, CA 93645 And to:

Jane E. Topping
Leonard and Jane Topping Family Trust
P.O. Box 48
O'Neals, CA 93645

(Space above this line reserved for recorder's use)

TOPPING RANCH

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT is made this ____ day of _____, ____ by Jane E. Topping, as successor Trustee of the Leonard and Jane Topping Family Trust dated May 27, 1193, and Bart Leonard Topping and Cynthia J. Topping, husband and wife (Grantor), in favor of SIERRA FOOTHILL CONSERVANCY, a California nonprofit corporation having an address at P.O. Box 529, Prather, CA 93651 ("Grantee").

WITNESSETH:

WHEREAS, the Grantor is the sole owner in fee simple of approximately 1,322 acres of real property in Madera County, California, more particularly described in Exhibit A attached, and depicted in Exhibit B attached, hereto and incorporated by this reference (the "Property"); and

WHEREAS, the Property possesses grazing, natural, scenic, open space, and ecosystem values of great importance to Grantor, the people of Madera County, and the people of the State of California; and

WHEREAS, the Property consists primarily of grazing land, oak woodland and Annual Grassland which together provide an important grazing resource and habitat for native plants and animals. The primary purpose of this Conservation Easement is to prevent the conversion of this

grazing land to nonagricultural uses, to protect the long-term sustainability of livestock grazing and to ensure the wildlife, water quality, watershed and open-space benefits of the Property are protected in perpetuity; and

WHEREAS, the grant of this Conservation Easement will also serve the following “conservation purposes,” as such term is defined in Section 170(h)(4)(A) of the Internal Revenue Code:

(a) The preservation of open space pursuant to the following clearly delineated governmental conservation policies, which will yield a significant public benefit:

- Section 815 of the California Civil Code, which declares that the preservation of land in its natural, scenic, agricultural, historical, forested, or open-space condition is among the most important environmental assets of California, and further declares it to be the public policy and in the public interest of this State to encourage the voluntary conveyance of conservation easements to qualified nonprofit organizations.
- Section 51102 of the California Government Code, which declares that it is the State’s policy to maintain the optimum amount of the State’s limited supply of timberland to ensure its current and continued availability for the growing and harvesting of timber and compatible uses, and to discourage premature or unnecessary conversion of timberland to urban and other uses.
- The California Land Conservation Act of 1965, which provides for individual California counties to establish Land Conservation Agreements.
- The action of the Madera County Board of Supervisors to accept the Property into a Land Conservation Agreement as evidenced by resolution number 93-3 and the Agreement, instrument number 940983, recorded February 25, 1994 in the Official Records of Mariposa County.

(b) The preservation of open space for the scenic enjoyment of the general public pursuant to the following factors, which will yield a significant public benefit:

- The Property is visible from County Road 210 and Millerton Lake.

(c) The protection of a relatively natural habitat of plants or similar ecosystem, as demonstrated by:

- The annual grassland, blue oak woodland, and the riparian areas on the Property provide significant natural habitat for native animal species.
- The Property’s significant natural habitat contributes to the ecological viability of the surrounding annual grassland and blue oak woodland.

WHEREAS, the Sierra Foothills area in which the Property is located, including the Property, is subject to increasing development pressure, with attendant fire danger, that will be lessened by the preservation of this Property. The termination of development rights resulting from the creation of this Conservation Easement will provide a long-term opportunity to continue to provide scenic and attractive views along public roads.

WHEREAS, the Conservation Easement also will conserve the valuable grazing land present on the site, and will support the regional ranching economy. While this Conservation Easement may be supplemented and its conservation value enhanced by the establishment of other conservation easements in the area, the parties to this agreement recognize that this Conservation Easement stands on its own, and does not require the creation of any other easements to provide the benefits for which the Property is being restricted; and

WHEREAS, the specific characteristics of the Property are further documented in an inventory of relevant features of the Property dated _____ that is on file at the offices of Grantee and incorporated by this reference (“Baseline Documentation”), which consists of reports, maps, photographs, and other documentation that the parties agree provide, collectively, an accurate representation of the Property at the time of this grant and which is intended to serve as an objective, though nonexclusive, information baseline for monitoring compliance with the terms of this grant; and

WHEREAS, Grantor intends that the conservation values of the Property be preserved and maintained by permitting only those land uses on the Property that do not significantly impair or interfere with them, including, without limitation, those relating to grazing, recreation and the limited homesite use specified herein; and

WHEREAS, Grantor further intends, as owner of the Property, to convey to Grantee the right to preserve and protect the conservation values of the Property in perpetuity; and

WHEREAS, Grantee is a publicly supported, tax-exempt nonprofit organization and a qualified organization under Sections 501(c)(3) and 170(h), respectively, of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Internal Revenue Code”), whose primary purpose is the preservation, protection, or enhancement of land in its natural, scenic, forested and/or open space condition. Grantee is qualified to hold conservation easements under the laws of the State of California and has the commitment and resources to enforce this Conservation Easement, and has received a grant from the Sierra Nevada Conservancy, an agency of the State of California, for the _____ acquisition of this Conservation Easement; and

WHEREAS, Grantee agrees by accepting this grant to honor the intentions of Grantor stated herein and to preserve and protect in perpetuity the conservation values of the Property for the benefit of this generation and the generations to come.

NOW, THEREFORE, in consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the law of State of California and in particular, inter alia, Sections 815-816 of the California Civil Code, Grantor hereby voluntarily

grants and conveys to Grantee a conservation easement in perpetuity over the Property of the nature and character and to the extent hereinafter set forth (“Conservation Easement”).

1. Purpose. It is the purpose of this Conservation Easement to assure that the Property will be retained forever predominantly in its ranching, natural, scenic, forested, and open space condition and to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property. Grantor intends that this Conservation Easement will confine the use of the Property to such activities, including without limitation, those involving grazing, recreation, education and the limited homesite use specified herein, as are not inconsistent with the purpose of this Conservation Easement. The open space character, scenic panorama, and grazing viability of the Property, and the diversity of native trees, plants, and wildlife on the Property, are collectively referred to herein as the “conservation values” of the Property.

2. Rights of Grantee. To accomplish the purpose of this Conservation Easement, the following rights are conveyed to Grantee by this Conservation Easement:

- a. To preserve and protect the Conservation Value of the Property by enforcing the restrictions set forth in Paragraphs 3 and 4 below;
- b. To enter upon the Property once each year, at reasonable times, in order to monitor compliance with and otherwise enforce, the terms of this Conservation Easement in accordance with Paragraph 7; provided that, except in cases where Grantee determines that immediate entry is required to prevent, terminate, or mitigate a violation of this Conservation Easement, such entry shall be upon prior reasonable notice to Grantor, and Grantee shall not in any case unreasonably interfere with Grantor’s use and quiet enjoyment of the Property;
- c. To prevent any activity on, or use of, the Property that is inconsistent with the purpose of this Conservation Easement and to require the restoration of such areas or features of the Property that may be damaged by an inconsistent activity or use, pursuant to the remedies set forth in Paragraph 7; and
- d. To erect and maintain a sign or other appropriate marker on the Property bearing information indicating that the Property is protected by a Conservation Easement held by Grantee. The sign shall also name the “Funding Source ” as the funding source. The location and design of the sign shall be determined by mutual consent of Grantor and Grantee. The wording of the information shall be determined by mutual consent of Grantor and Grantee, but shall clearly indicate that the Property is privately owned and not open to the public. Grantee shall be responsible for the costs of erecting and maintaining such sign or marker.

3. Extinguishment of Development Rights. Except as otherwise reserved to the Grantor in this Conservation Easement, all development rights appurtenant to the Property are hereby released, terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property adjacent or otherwise, or used for the purpose of calculating permissible lot yield of the Property or any other property. The development rights extinguished by the creation and sale of this Conservation Easement include any rights to agricultural development of vineyards, orchards, or any cultivated farming. The extinguished development rights also include any residential, municipal, industrial or mining rights that may be allowed by law on the Property either now or in the future. The Permitted Homesites allowed by Paragraph 5(a) and the Agricultural Support Area expressly permitted by Paragraph 5(b) are, however, allowed strictly in compliance with the terms of those sections.

4. Prohibited Acts. Grantor promises that it will not perform, or knowingly allow others to perform, any act or use on or affecting the Property described herein in conflict with the covenants set out in this Conservation Easement. Grantor authorizes Grantee to enforce these covenants. However, unless otherwise specified herein, nothing in this Conservation Easement shall require Grantor to take any action to restore the condition of the Property after any Act of God or other event over which Grantor has no control. Grantor understands that nothing in this Conservation Easement relieves it of any obligation or restriction on the use of the Property imposed by law. Any activity on, or use of, the Property inconsistent with the purpose of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited;

- a. Subdivision. The legal or de facto division, subdivision or partitioning of the Property, except as may be required by law for the uses permitted herein. The parcels that comprise the Property shall not be sold or transferred separately, and the Grantor and Grantee agree that Property shall remain intact as 1,950 acres which includes the existing 600 acre easement on Kennedy Table. In addition, no division, subdivision, partition, or de facto subdivision of the Property is permitted. This paragraph does not prohibit the merging of parcels to reduce the number of parcels that currently comprise the Property nor does this paragraph prohibit the lease of a portion of the Property for rangeland use, or a voluntary conveyance to a governmental or nonprofit entity for conservation or public access purposes provided that such lease or conveyance does not interfere with or burden this Conservation Easement and the Conservation Values protected hereby.
- b. Development Rights. The use or exercise or transfer of the development rights extinguished by this Conservation Easement on the Property or any portion thereof, as it now or hereafter may be bounded or described or on any other property.
- c. Buildings and Structures. The placement of buildings, structures or parking lots on the Property; except for the Permitted Homesites specified in Paragraph 5(a) hereof and the Agricultural Support Area as expressly

permitted by Paragraph 5(b) strictly in compliance with the terms of those sections.

- d. Roads and Improvements. The placement of roads, utility lines, pipelines or other improvements on the Property that would significantly impair or irretrievably diminish the conservation values of the Property. Notwithstanding the foregoing, roads, utility lines, pipelines, septic systems and other improvements that are customary and proper for the provision of access and utilities to the Permitted Homesites described by Paragraph 5(a) and the Agricultural Support Area in Paragraph 5(b) will not be deemed to significantly impair or irretrievably diminish the conservation values of the Property, so long as all such roads, utility lines, pipelines, septic systems and other improvements are constructed in accordance with the requirements of Paragraph 5(a) or Paragraph 5(b), as applicable.
- e. Signs. The placement of signs or billboards on the Property, except for signage to advertise it for sale or rent, to post the Property to control unauthorized entry or use, to identify the property, or to identify the property is encumbered by this Conservation Easement.
- f. Removal of Timber and Shrubs. The pruning, cutting down, or other destruction or removal of live trees located outside the Permitted Homesites described in Paragraph 5(a) or the Agricultural Support Area described in Paragraph 5(b), except as necessary, in accordance with generally accepted rangeland practices, to control or prevent hazard, disease, or fire, or to maintain open space areas essential to the conservation values of this Conservation Easement.
- g. Underground Fuel Storage Tanks and Disposal of Debris. The placement of underground fuel storage tanks on the Property, and the processing, storage, dumping, or other disposal of wastes, refuse and debris, except for non-hazardous and nontoxic materials generated by activities permitted hereby.
- h. Commercial Feedlot. The establishment or maintenance of any commercial feedlot, which is defined for the purposes of this Conservation Easement as a confined area or facility within which the land is not grazed at least annually and which is used to receive livestock that have been raised off the Property for feeding and fattening for market.
- i. Mining. Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extracting minerals, loam, soil, sands, gravel, rocks or other material on or below the surface of the Property, except as may be necessary for the protection to the Conservation Values of this Conservation Easement.

5. Reserved Rights. Grantor reserves to her/himself, and to his/her personal representatives, heirs, successors, and assigns, all rights accruing from his/her ownership of the

Property, including the right to engage in, or permit or invite others to engage in, all uses of the Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Conservation Easement. Without limiting the generality of the foregoing, and subject to the terms of Paragraph 4 and the notice and approval requirements of Paragraph 6, the following rights are expressly reserved by Grantor:

- a. Permitted Homesites. The right to reconstruct, utilize, maintain and improve the two (2) existing single-family residences on the Property, for non-commercial use, together with all outbuildings, customary residential non-motorized recreational structures (including but not limited to pools, gazebos, arbors, tennis courts, basketball courts, and equestrian rings), utility lines, pipelines, sewer lines, septic systems, wells, driveways, connecting roads and parking areas commonly and appropriately incidental thereto. No more than five (5) contiguous acres for each homesite may be used for non-Conservation Easement related purposes such as the construction and maintenance of the main residence and home based businesses compatible with any applicable zoning ordinances or other regulations, outbuildings, driveways, lawns, landscaping, and other residential uses. The five (5) acre development areas are herein referred to as the “Permitted Homesites.”

The location of the Permitted Homesites and related improvements will be documented in the Baseline Report.

- i. All utilities, access roads, pipelines and sewer lines serving the Permitted Homesites shall be constructed in a reasonably efficient manner, so as to result in the reasonably shortest length for the purpose to be served and so as to minimize the impact upon the Conservation Values of the Property.
 - ii. Grantor may elect to abandon and relocate any established Permitted Homesite that has been destroyed or rendered unusable by fire or other natural disaster provided that (A) Grantor notifies Grantee of its intent to relocate such Permitted Home site, (B) Location of relocated home site is within the five (5) acre building site, and (C) Grantor restores the abandoned Permitted Homesite location to reasonable pre-development conditions.
- b. Agricultural Support Area. The right to reconstruct, utilize, maintain and improve the existing barn, corral and associated structures together with all utility lines, pipelines, sewer lines, septic systems, wells, driveways, connecting roads and parking areas commonly and appropriately incidental thereto on the Property necessary for a grazing operation (the “Agricultural Support Area”). The barn and corral area, including all associated structures and utilities, shall not exceed five (5) contiguous acres. The parties acknowledge that the Agricultural Support Area is in existence on the date of this Conservation Easement and its location is documented in the Baseline Documentation.

- c. Agricultural Operations/Grazing. All rights to use the property for grazing of Grantor's cattle, or cattle owned by others under contract, at an intensity that does not adversely affect the Conservation Values and to lease the Property for the same purpose subject to this Conservation Easement. The right to conduct the grazing operation shall include the right to erect, maintain and repair appropriate fences, watering facilities and other customary improvements in appropriate locations throughout the Property that do not adversely affect the Conservation Values; except that handling, weighing and loading corrals and other more intensive development shall be located in the Agricultural Support Area. The right to conduct educational and agri-tourism operations incidental to the grazing operation. Any structures, roads or other facilities related to the incidental programs must be located within the Agricultural Support Area and shall meet all requirements of this Conservation Easement applicable to the Agricultural Support Area as well as all applicable state or county zoning ordinances, building codes, and other regulations. The cumulative impacts of educational or agri-tourism on the Property must be no greater than the impacts of the grazing operation without the incidental programs.
- d. Resource Stewardship. In order to protect the Conservation Values of the Property, Grantor is encouraged to conduct all ranching and farming operations in accordance with good management practices that address soil and water conservation, erosion control, pest management, nutrient management, timber management, and habitat protection.
- e. Water. All right, title and interest in and to all tributary and non-tributary water, and water rights, and related interests in, under or appurtenant to the Property; provided such water rights are developed in a manner consistent with purposes of this Conservation Easement.
- f. Recreation/Education. All rights to engage in, and permit others to engage in, all passive recreational uses of the Property that do not significantly impair or irretrievably diminish the Conservation Values of the Property, such as hay rides, camping, hunting, picnics, outings, including educational observation or scientific study and all such outdoor activities normally and customarily conducted by owners of property in such foothill settings.
- g. Fences. Existing fences may be repaired and replaced, at their existing locations on the Property for purposes of reasonable and customary management of livestock and wildlife, without further permission from Grantee. New fences and cross-fences at new locations may be constructed for such purposes without further permission from Grantee, provided that any new fence shall be sited and designed to protect the Conservation Values of the Property, including, but not limited to, wildlife corridors.

- h. Paving and Road Construction. All rights to construct (after notice to Grantee) and maintain roads on the Property that may be reasonably necessary and incidental to carrying out the improvements and uses permitted on the Property. Other than roads used for access to the Permitted Homesites, no portion of the Property shall be paved or otherwise covered with concrete, asphalt, or other impervious paving material, unless such measures are required by air quality laws or regulations applicable to the Property.
- i. Trespassing. The right to exclude any member of the public from trespassing on the Property (other than representatives of Grantee).
- j. Sell or Transfer. The right to sell or otherwise transfer the Property to anyone Grantor chooses pursuant to Paragraph 13 below.
- k. Other Easements. Grantor may grant other easements on the Property provided that such easements do not interfere with or reduce the Conservation Values of this Conservation Easement. Grantee shall be notified at least sixty-(60) days in advance, in writing, of any proposed conservation or other easement affecting the Property, which notice shall include a copy of the proposed easement.

6. Notice and Approval.

- a. Notice of Intention to Undertake Certain Permitted Actions. The purpose of requiring Grantor to notify Grantee prior to undertaking certain permitted activities, whenever required in this Conservation Easement, is to afford Grantee an adequate opportunity to monitor the activities in question to ensure they are designed and carried out in a manner that is not inconsistent with the purpose of this Conservation Easement. Whenever notice is required, Grantor shall notify Grantee in writing not less than sixty (60) days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to make an informed judgment as to its consistency with the purpose of this Conservation Easement.
- b. Grantee's Approval. Where Grantee's approval is required, Grantee shall grant, or withhold, its approval in writing within thirty (30) days of receipt of Grantor's written request therefore. Grantee's approval may be withheld only upon a reasonable determination by Grantee that the action, as proposed, would be inconsistent with the purpose of this Conservation Easement. Failure by Grantee to timely respond to Grantor's written request for approval shall be deemed approval of the activity described in Grantor's written request.

7. Remedies.

- a. Notice of Violation; Corrective Action. If Grantee determines that a violation of the terms of this Conservation Easement has occurred, or is threatened, Grantee shall give written notice to Grantor of such violation, and not later than fourteen (14) days after the delivery of such written notice or on a date mutually agreeable to both Grantor and Grantee, the parties shall meet to discuss the circumstances of the violation and to attempt to agree on appropriate corrective action. If the parties are unable to agree on corrective action, Grantee shall deliver a further written notice to Grantor to demand corrective action sufficient to cure the violation resulting from any use or activity inconsistent with the Conservation Value or any of them, or the Conservation Easement Purpose, to restore the portion of the Property so injured to its prior condition, in accordance with a plan approved by Grantee.
- b. Injunctive Relief. If Grantor fails to cure the violation within thirty (30) days after receipt of notice from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to continue diligently to cure such violation until finally cured, Grantee may pursue injunctive relief. The parties acknowledge that the Conservation Values that this Conservation Easement protects are unique and can suffer irreparable harm if violations of the restrictions set forth in this Conservation Easement are not promptly remedied. Therefore, the parties acknowledge that, notwithstanding the parties' agreement to Binding Dispute Resolution, Grantee shall be entitled to petition in Court for injunctive relief to enjoin a violation of the Conservation Easement pending completion of the Binding Dispute Resolution process set forth below.
- c. Mediation/Arbitration. Binding Dispute Resolution. The parties shall submit all disputes, claims or demands of any kind relating to or arising out of this Agreement (a "controversy") to a three step resolution process. The three step resolution process shall (i) begin with informal negotiation conducted in good faith as set forth in a, above; (ii) to be followed, if necessary, by mediation initiated by written demand by one party served upon the other; and (iii) if the controversy is not resolved by mediation, the controversy shall be submitted to binding arbitration by a single neutral arbitrator in accordance with the then existing rules of the American Arbitration Association, except that the provisions of California Code of Civil Procedure section 1283.05 shall be adopted and used with respect to discovery prior to the arbitration hearing. The arbitration award shall be a reasoned award and shall contain a written explanation of the arbitrator's findings and conclusions. The arbitrator shall follow the law of the State of California. The hearing shall take place in Fresno, California. The award may be entered in any court of competent jurisdiction.

- d. Damages. If Grantee is awarded damages for violation of the terms of this Conservation Easement or injury to any Conservation Value protected by this Conservation Easement, including, without limitation, damages for the loss of scenic, aesthetic, or environmental values, Grantee shall first apply any damages recovered to undertaking any corrective action on the Property, and secondly, to the costs incurred, if any, to resolve the dispute.
- e. Emergency Enforcement. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Value of the Property, Grantee may pursue its remedies under this Paragraph 7, subject to prior written notice to Grantor, without waiting for the period provided for cure to expire.
- f. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement Agreement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, negate, or mitigate significant injury to the Property resulting from such causes. Further, nothing contained in this Conservation Easement Agreement shall require Grantor or Grantee to take any action to restore the condition of the Conservation Easement after any Act of God or other event in which Grantor has no control.

8. No Public Dedication or Public Access. Nothing contained in this Conservation Easement Agreement shall be deemed to be a gift or dedication of all or any portion of the Property for use by the general public. This instrument does not convey a general right of access to the public.

9. Costs, Liabilities, Taxes, and Environmental Compliance.

- a. Costs, Legal Requirements, and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including the maintenance of adequate liability insurance coverage. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals for any construction or other activity or use permitted by this Conservation Easement, and all such construction or other activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Nothing contained herein shall limit Grantor's ability to place mortgage, or other financing liens on the property; however, Grantee shall not be required or expected to subordinate its interest under this Conservation Easement to the lien of any such mortgage or other financing.
- b. Taxes. Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by

competent authority (collectively “taxes”), including any taxes imposed upon, or incurred as a result of this Conservation Easement Agreement, and shall furnish Grantee with satisfactory evidence of payment upon request.

- c. Representations and Warranties. Grantor represents and warrants that, to the best of their actual knowledge after reasonable investigation:
- i. No substance defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment exists or has been released, generated, treated, stored, used, disposed of, deposited, abandoned, or transported in, on, from, or across the Property, unless such storage or use, was conducted in accordance with applicable law then in effect and in accordance with the substance’s labeling information;
 - ii. There are not now any underground storage tanks located on the Property, whether presently in service or closed, abandoned, or decommissioned, and no underground storage tanks have been removed from the Property in a manner not in compliance with applicable federal, state, and local laws, regulations and requirements;
 - iii. Grantor and the Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Property and its use;
 - iv. There is no pending or threatened litigation in any way affecting, involving, or relating to the Property; and
 - v. No civil or criminal proceedings or investigations are now pending, and as of the date of executing this Conservation Easement, Grantor has not received any notices, claims, demands, or orders, arising out of any contract or ownership dispute or any violation or alleged violation of, or failure to comply with, any federal, state, or local law, regulation, or requirement applicable to the Property or its use, nor do there exist any facts or circumstances that Grantor might reasonably expect to form the basis for any proceedings, investigations, notices, claims, demands, orders or potential litigation in any way affecting, involving or relating to the Property.

Furthermore, Grantor represents and warrants that Grantor shall promptly inform Grantee of any changes in these representations or any additional information Grantor obtains that would change the above representations and warranties, whether that change in circumstances or additional information occurs or is discovered before or after the transfer of this Conservation Easement to Grantee.

- d. Hold Harmless. Grantor hereby releases and agrees to hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against any and all liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, including, without limitation, reasonable attorney's fees, arising from or in any way connected with: (a) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of the cause, unless due to the negligence of any of the Indemnified Parties; (2) the violation or alleged violation of, or other failure to comply with any state, federal, or local law, regulation, or requirement, including, without limitation, any Environmental Law as defined below by any person other than any of the Indemnified Parties, in any way affecting, involving, or relating to the Property; (3) the presence of release in, on, from, or about the Property, at any time, or any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, unless caused solely by any of the Indemnified Parties; and (4) the obligations, covenants, representations, and warranties of Paragraphs 9(c) above. In the event of any liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, the right to the indemnification provided by this paragraph 9(e) shall not apply to any amounts or actions, including attorneys' fees, incurred by Grantee prior to Grantee's written notice of such amounts or actions to Grantor, after allowing Grantee a reasonable grace period to provide notice. Grantor shall not be obligated to pay any settlement payment, including attorney's fees and costs, unless such cost, expense, or settlement payment is approved in advance in writing by Grantor, which approval shall not be unreasonably withheld

10. Condemnation and Termination.

- a. Condemnation. If all or any part of the Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, so as to terminate this Conservation Easement in whole or in part, Grantor and Grantee shall act jointly to recover the full value of their respective interests in the Property so taken or purchased, and all direct or incidental damages resulting therefrom. Condemnation awards and/or payments shall be the property of Grantor, whether such award shall be made as compensation for diminution in the value of the Property, the value of the part taken, or for severance damages; provided however that the Grantee shall be entitled to compensation for reasonable loss of value of the Property, if any, and expenses reasonably incurred by Grantee in connection with the taking or

purchase. The portion of the award or purchase price allocated to the Conservation Easement and payable to Grantor shall be determined by paragraph 10(c) below. If only a portion of the Property is subject to such exercise of eminent domain, this Conservation Easement shall remain in effect as to all other portions of the Property.

- b. Termination. If circumstances arise in the future that render the purpose of this Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or otherwise extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the compensation to which Grantee shall be entitled from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishments, shall be determined, unless otherwise provided by California law at the time, in accordance with Paragraph 10(c) Valuation, below. Grantee may use any proceeds received under the circumstances described in this paragraph in a manner consistent with its conservation purposes, which are exemplified by this Conservation Easement.
- c. Valuation. The Conservation Easement constitutes a real property interest immediately vested in Grantee.
 - i. In the event of condemnation or termination of this Conservation Easement pursuant to this Paragraph 10 or otherwise, the parties stipulate that the value of this Conservation Easement that shall be payable to Grantee shall be determined by multiplying (a) as applicable, the amount of the condemnation award, the purchase price in a deed in lieu of condemnation or, in the case of a termination, the fair market value of the Property unencumbered by this Conservation Easement at the time this Conservation Easement is extinguished, (minus any increase in value attributable to improvements made after the date of this Conservation Easement) by (b) the ratio of the value of the Conservation Easement at the time of the grant to the value of the Property, unencumbered by this Conservation Easement at the time of the grant.
 - ii. The value of the Property and this Conservation Easement at the time of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reason of this grant, pursuant to the appraisal requirements of Treasury regulations section 1.170A-13, as amended.
 - iii. Grantor shall, within thirty (30) days of obtaining the final appraisal to be used for tax purposes, provide a copy of such appraisal to Grantee to be used for calculating the ratio described herein. For the purposes of valuation or division of proceeds throughout the life of this Conservation Easement, the ratio of the value of this Conservation Easement to the

value of the Property unencumbered by this Conservation Easement shall remain constant.

11. Amendment. If circumstances arise under which an amendment to, or modification of, this Conservation Easement Agreement would be appropriate, Grantor and Grantee are free to jointly amend this Conservation Easement Agreement; provided that no amendment shall be allowed that will affect the qualification of this Conservation Easement or the status of the Grantee under any applicable laws, including Sections 501c.3. and 170h of the Internal Revenue Code, and any amendment shall be consistent with the purpose of this Conservation Easement and shall not affect its perpetual duration. Any such amendment shall be recorded in the offices of Mariposa County, California.

12. Grantee Assignment or Transfer of Conservation Easement; Termination of Grantee's Existence.

- a. Voluntary assignment or transfer. Grantee may transfer the Conservation Easement created by this Conservation Easement Agreement to (1) any public agency authorized by law to hold interests in real property including conservation easements as provided in Section 815.3 of the Civil Code of California; or (2) any private nonprofit organization that, at the time of transfer, is a "qualified organization" under Section 170(h) of the U.S. Internal Revenue Code and under Section 815.3(a) of the Civil Code of California. In selecting an appropriate transferee entity, preference will be given to a qualified agency or organization with a conservation purpose that this grant is intended to advance and carry forth, which has board, staff, or consultants with practical management experience, and which agency or organization expressly agrees to assume the responsibility imposed on Grantee by this Conservation Easement. If such agency or organization cannot be found, or is not suitable for any reason, then another qualified agency or organization, which expressly agrees to assume the responsibility imposed on the Grantee by this Conservation Easement may be selected. Grantor shall be provided notice of any proposed transfer, information about proposed transferee(s), and opportunity for comment. If more than one qualified agency or organization meets the foregoing criteria and are deemed by the Grantee to be equally capable of affecting the conservation purposes of this Conservation Easement, Grantor may select one of those qualified organizations to nominate as the transferee. The final transfer of the Conservation Easement to the proposed transferee selected by Grantee, or nominated by Grantor from among the qualified agencies and/or organizations, shall be subject to the approval of the Sierra Nevada Conservancy pursuant to the terms of the Grant Agreement (Agreement No. _____) for the _____ Conservation Easement, entered into by and between the Sierra Nevada Conservancy and the Sierra Foothills Conservancy ("SFC") on _____, _____ ("the Grant Agreement").
- b. Termination of Grantee's existence. If Grantee ever ceases to exist or no longer qualifies under Section 170(h) of the U.S. Internal Revenue Code, or

applicable state law, then upon the recording of a notice by the Sierra Nevada Conservancy ("SNC") that such event has occurred, this Conservation Easement shall be deemed to be automatically transferred to, and vested in:

- i. the California Rangeland Trust, a California nonprofit organization ("CRT"), if in the said notice, the SNC approves the CRT as the transferee of this Conservation Easement, and if the said notice is accompanied by the CRT's duly executed acceptance of all of the obligations and responsibilities of Grantee hereunder; in the event that CRT is not able to accept the obligations or responsibilities of Grantor hereunder, or is not approved by SNC as the transferee then this Conservation Easement shall be vested in;
 - ii. the State of California ("State") or such other public agency or organization, designated by the Conservancy, to which the State has conveyed its interest.
- c. Sierra Nevada Conservancy grant agreement: applicable provisions in case of Grantee's default. If the SNC determines that the Grantee, or its successor, has violated the Grant Agreement through breach of a material term or condition thereof, the SNC shall give written notice to the Grantee or its successor of such violation. Not later than fourteen (14) days after the delivery of such written notice, the designated representatives of the parties (SNC and the Grantee or its successor) shall confer about the circumstances of the default and to attempt to agree on appropriate corrective action. If the parties are unable to agree on corrective action, the SNC shall deliver a further written notice to Grantee to demand corrective action sufficient to cure the violation. If such corrective action is not performed to the satisfaction of the SNC within ninety (90) days from the date the written notice is sent (or if the corrective action cannot by its nature be performed within ninety (90) days, if it is not appropriately commenced by Grantor within ninety (90) days), then the SNC may record a notice that Grantee, or its successor is in default under said Grant Agreement. The recording of the said notice shall cause all of the rights of Grantee under this Conservation Easement agreement to vest immediately in the State or in such other public agency or nonprofit organization, designated by the Conservancy, to which the State has conveyed its interest; and to terminate all of the rights and interests of the SFC hereunder.
- d. Responsibilities of transferee or successor. In the event of the transfer of the Conservation Easement to, or succession by, another party pursuant to this Paragraph 12, the successor shall assume all of the rights and responsibilities of the Grantee under the Grant Agreement.
- e. Rights of the SNC and State of California. The rights and interest of the SNC and the State of California under this Conservation Easement are limited to

those stated above under this Paragraph 12. Except as set forth above, the SNC is not a third-party beneficiary of this Conservation Easement.

13. Grantor's Transfer of the Property. Before transferring the Property or any interest in it to any third party, Grantor shall notify Grantee in writing, and the deed or instrument of conveyance shall expressly refer to the existence of this Conservation Easement. Failure to notify Grantee or include the required reference to this Conservation Easement in the deed shall not affect the continuing validity and enforceability of this Conservation Easement nor shall it give rise to any remedies against Grantor.

14. Compliance Monitoring.

- a. Monitoring of Property by Grantee. The Grantee is required to monitor the Property at least annually to assess the condition of the property, including without limitation the conservation values and compliance with the Conservation Easement. However, any failure by Grantee to monitor the Property within a given 1-year period shall not affect the obligations of Grantor hereunder, or the enforceability of this Conservation Easement.

15. Subordinate Liens on the Property. All liens placed on the Property shall be subordinate to the rights held by the State of California and Grantee pursuant to this Conservation Easement.

16. Security for Debt. The Conservation Easement may not be used as security for any debt.

17. Estoppel Certificates.

- a. Upon request by Grantor, Grantee shall within ten (10) days execute and deliver to Grantor, or to any party designated by Grantor, any document, including an estoppel certificate, which certifies, to the best of Grantee's knowledge, Grantor's compliance with any obligation of Grantor contained in this Conservation Easement or otherwise evidences the status of this Conservation Easement. Such certification shall be limited to the condition of the Property as of Grantee's most recent inspection. If Grantor requests more current documentation, Grantee shall conduct an inspection, at Grantor's expense, within thirty (30) days of receipt of Grantor's written request therefore.
- b. If Grantee fails to execute or deliver the Estoppel Certificate within such ten (10) day period, Grantor may execute an Estoppel Certificate stating that: (i) the Conservation Easement Agreement is in full force and effect without modification except as may be represented by Grantor; (ii) there are no uncured defaults in the Grantor's performance, and (iii) Grantee shall be estopped from denying the truth of the facts contained in said Certificate.

- c. If Grantor desires to finance, refinance, or sell the Property, or any part thereof, Grantor shall deliver to any potential lender or purchaser designated by Grantor such financial statement, or other documentation, as may reasonably be required by such lender or purchaser, including Grantee's financial statements for the past three (3) years. All such financial statements shall be received by Grantor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

18. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by United States certified mail, return receipt requested, addressed as follows or such other address as either party from time to time shall designate by written notice to the other:

TO GRANTOR: Bart and Cynthia Topping
Topping Ranch
P.O. Box 2
O'Neals, CA 93645 And to:

Jane E. Topping
Leonard and Jane Topping Family Trust
P.O. Box 48
O'Neals, CA 93645

TO GRANTEE: Sierra Foothill Conservancy
P.O. Box 529
Prather, CA 93651
(559) 855-3473 (phone)
(559) 855-3473 (fax)
sfc@sierrafoothill.org

19. Recordation. Grantee shall record this instrument in timely fashion in the official records of Mariposa County, California, and may re-record it at any time as may be required to preserve its rights in this Conservation Easement.

20. Grantee Not An Owner, Operator, Or Responsible Party. Notwithstanding any other provision herein to the contrary, the Parties do not intend this Conservation Easement to be construed such that it creates or gives the Grantee:

- a. the obligations or liability of an "owner" or "operator" as those words are defined and used in environmental laws, as defined below, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Section 9601 et seq. and hereinafter "CERCLA");
- b. the obligations or liability of a person described in 42 USC Section 9607(a)(3) or (4);

- c. the obligations of a responsible person under any applicable Environmental Laws, as defined below;
- d. the right to investigate and remediate any Hazardous Materials, as defined below, associated with the Property;
- e. any control over Grantor's ability to investigate, remove, remediate, or otherwise clean up any Hazardous Materials associated with the Property; or
- f. Any right or obligation to prevent, correct, or warn of any unsafe or hazardous condition on the Property.

21. Environmental Provisions.

- a. Grantor Environmental Warranty. Grantor warrants that Grantor has no knowledge of a release or threatened release of hazardous substances or wastes on or that could affect the Property and agrees to indemnify, defend, protect and hold Grantee, its directors, officers, employees, agents, and contractors, and their heirs successors, and assigns, harmless from and against all litigation costs, demands, penalties, damages, liability, claims or expenses (including reasonable attorney's fees) arising from or connected with any release of hazardous waste or violation of federal, state, or local environmental laws as a result of or arising out of the activities of Grantor on the Property or any breach of this Conservation Easement, unless said release was the result of an action by Grantee or its directors, officers, employees, agents, contractors, and their heirs successors, and assigns.
- b. Assumption of Environmental Liabilities and Indemnification. From and after acquisition of the Conservation Easement by Grantee or any of Grantee's successors or assigns (whether by operation of law or otherwise), Grantor and Grantor's successors in interest shall be solely responsible for and agree, jointly and severally: (a) to assume all past, present and future liabilities, whether known and unknown and whether now existing or hereafter discovered, arising out of and related to environmental conditions of whatsoever kind or nature on, under or affecting the Property, including, without limitation, with respect to the presence or release of Hazardous Substances; and (b) to indemnify, protect and defend with counsel mutually acceptable to Grantor and Grantee the Grantee's directors, officers, employees and agents (the "Indemnified Parties") harmless from and against any claims (including, without limitation, third party claims for personal injury or death, damage to property or diminution in value of property), actions administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines costs, liabilities (including sums paid in settlements of claims), remedial action, compliance requirements, enforcement and clean-up actions of any kind, interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), consultant fees, and expert fees that arise directly or indirectly from or in connection with: (i) the presence, suspected presence or Release of any Hazardous Substance whether into the air, soil, surface water or groundwater of or at the Property;

(ii) any violation or alleged violation of Environmental Law affecting the Property, whether occurring prior to or during Grantee's ownership of the Property and whether caused or permitted by Grantor or any person other than Grantor; (iii) any claim or defense by Grantor or any third party that any Indemnified Party is liable as an "owner" or "operator" of the Property under any Environmental Law; or (iv) any breach of the representations and warranted set forth herein. As to claims arising under (i) and (ii) hereunder, Grantor shall have no liability to Grantee if such conditions described therein are the result of Grantee's tortious conduct or negligent act.

Notwithstanding the foregoing, Grantor and each of Grantor's successor's interest shall only have liability as to those matters occurring during or prior to their respective period of ownership of the Property and shall have no liability hereunder for claims relating to liabilities occurring solely after their respective period of ownership.

c. Definitions.

- i. The term "Environmental Law" shall include, but shall not be limited to, each statute named or referred to below, and all rules and regulations there-under, and any other local, state and/or federal laws, ordinances, rules, regulations, orders and decrees, whether currently in existence or hereafter enacted, which govern (i) the existence, cleanup and/or remedy of contamination or pollution on property; (ii) the protection of the environment from soil, air or water contamination or pollution, or from spilled, deposited or otherwise emplaced contamination or pollution; (iii) the emission or discharge of Hazardous Substances into the environment; (iv) the control of Hazardous Substances; or (v) the use, generation, transport, treatment, removal or recovery of Hazardous Substances.
- ii. The term "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of any Hazardous Substance into the environment (including, without limitation, the continuing migration of Hazardous Substances into, onto or through the soil, surface water, or groundwater, and the abandonment or discarding of barrels, containers, and other receptacles containing any Hazardous Substance), whether caused by, contributed to, permitted by, acquiesced to or known to Grantor or Grantor's predecessors or successors in interest.
- iii. The term "Hazardous Substance" shall mean (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Property or to persons on or about the Property or (ii) cause the Property to be in violation of any Environmental Law; (b) asbestos in any form which is, or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of

polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous material", "extremely hazardous waste", "restricted hazardous waste", or "toxic substances" or words of similar import under any applicable local state or federal law or under the regulations adopted or publications promulgated pursuant thereto including the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 USC section 9601, et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 USC section 6901, et seq.; the Hazardous Materials Transportation Act, 49 USC section 1801, et seq.; the Federal Water Pollution Control Act, 33 USC section 1251, et seq.; the California Hazardous Waste Control Law ("HWCL"), Cal. Health & Safety section 25100, et seq., Hazardous Substance Account Act ("HSAA"), Cal. Health & Safety Code section 25300, et seq., the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), Cal. Water Code section 13000, et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property, or any other person coming upon the Property or adjacent property; and (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

- iv. The term "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that required a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Property of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Property or neighboring Properties.

- d. Notwithstanding the above, this Conservation Easement does not prohibit Grantor from using, applying, storing and transporting any ordinary and customary herbicide, pesticide, fungicide, or rodenticide (strictly in accordance with the label directions and restrictions) in connection with any of the Permitted Uses and fuel, oil and applicable lubricants for maintenance of equipment reasonably required to be used in the normal course of Permitted Uses, so long as such use is in compliance with all applicable requirements, is not a Reportable Use, and does not expose the Property or neighboring property to any meaningful risk of contamination or damage or expose Grantor to any liability therefore. In addition, Grantee may condition its consent to any Reportable Use upon receiving such additional assurances as

Grantee reasonably deems necessary to protect itself, the public, the Property and/or the environment against damage, contamination, injury and/or liability.

22. Perpetual Duration. The Conservation Easement created by this instrument shall be a servitude running with the land in perpetuity.

23. General Provisions.

- a. Controlling Law. The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California.
- b. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Conservation Easement shall be liberally construed in favor of the grant to effect the purpose of this Conservation Easement and the policy and purpose of California Civil Code Sections 815-816. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.
- c. Severability. If any provision of this Conservation Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Conservation Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected hereby.
- d. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Conservation Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Paragraph 11.
- e. No Forfeiture. Nothing contained herein will result in the forfeiture or reversion of Grantor's fee title in any respect.
- f. Joint Obligations. The obligations imposed by this Conservation Easement upon Grantor shall be joint and several.
- g. Successors. The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property. The terms "Grantor" and "Grantee", wherever used herein, and any pronouns used in place thereof, shall include, respectively, the above-named

Grantor and their personal representatives, heirs, successors, and assigns, and the above- named Grantee and its successors and assigns.

- h. Termination of Rights and Obligations. A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.
- i. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.
- j. Counterparts. The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.
- k. Permission. Whenever permission, consent or approval ("Permission") is required on the part of Grantor or Grantee pursuant to this Conservation Easement, such permission shall be obtained in advance and in writing signed by the party from whom permission is to be obtained. Whether permission should be granted or denied shall be determined based upon the purposes of this Conservation Easement, and shall not be unreasonably withheld.

24. Effective Date. The Conservation Easement is effective as of the date of the last signature executed below, or upon recordation in the Official Records of the county identified above, if any signature is inadvertently undated.

Signature Page Follows

Agreed to and Executed by:

GRANTOR: Bart and Cynthia Topping Topping Ranch P.O. Box 2 O'Neals, CA 93645 And to: By: _____ Print Name: _____ Its: _____ Dated: _____ By: _____ Print Name: _____ Its: _____ Dated: _____ Jane E. Topping Leonard and Jane Topping Family Trust P.O. Box 48 O'Neals, CA 93645 By: _____ Print Name: _____ Its: _____ Dated: _____	GRANTEE: SIERRA FOOTHILL CONSERVANCY, a non-profit California Corporation By: _____ Print Name: _____ Its: _____ Dated: _____
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EXHIBIT A
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF MADERA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

The Southwest quarter of the Southwest quarter of Section 31, Township 9 South, Range 22 East, the Northeast quarter of the Northeast quarter of Section 7, Township 10 South, Range 22 East and all that portion of Section 6, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, all being more particularly described as follows:

Beginning at the Northwest corner of said Section 6; thence North 2° 05' 16" West 1333.38 feet; thence South 88° 49' 49" East 1302.12 feet; thence South 1° 28' 09" East 1317.12 feet to the North line of the Northwest quarter of said Section 6; thence South 89° 33' 29" East 1287.78 feet to the North quarter corner of said Section 6; thence South 0° 43' 57" East 1311.13 feet; thence South 89° 38' 30" East 2592.42 feet; thence South 1° 24' 01" East 1299.24 feet to the East quarter corner of said Section 6; thence South 1° 22' 54" East 2615.40 feet to the Southeast corner of said Section 6; thence South 1320.00 feet to the Southeast corner of the Northeast quarter of the Northeast quarter of said Section 7; thence South 89° 46' 17" West 1318.42 feet to the Southwest corner of said Northeast quarter of the Northeast quarter; thence North 1320 feet to the Northwest corner of said Northeast quarter of the Northeast quarter; thence South 89° 40' 17" West 1318.24 feet to the South quarter of said Section 6; thence South 89° 47' 26" West 699.83 feet to a 5/8" rebar tagged LS. 4298; thence leaving the South line of the Southwest quarter of said Section 6 North 13° 29' 26" East 53.82 feet to a 5/8" rebar tagged LS. 4298; thence North 30° 53' 32" East 132.28 feet to a 5/8" rebar tagged LS. 4298; thence North 39° 50' 55" East 69.60 feet to a 5/8" rebar tagged LS. 4298; thence North 47° 14' 02" East 84.40 feet to a 5/8" rebar tagged LS. 4298; thence North 1° 32' 31" West 90.40 feet to a 5/8" rebar tagged LS. 4298; thence North 27° 22' 17" East 232.59 feet to a 5/8" rebar tagged LS. 4298; thence North 25° 41' 36" East 75.43 feet to a 5/8" rebar tagged LS. 4298; thence North 17° 30' 38" East 63.76 feet to a 5/8" rebar tagged LS. 4298; thence North 34° 23' 06" East 44.20 feet to a 5/8" rebar tagged LS. 4298; thence North 52° 29' 30" East 80.25 feet to a 5/8" rebar tagged LS. 4298; thence North 49° 37' 49" East 115.25 feet to a 5/8" rebar tagged LS. 4298; thence North 53° 05' 36" East 107.84 feet to a 5/8" rebar tagged LS. 4298; thence North 35° 24' 45" East 61.65 feet to a 5/8" rebar tagged LS. 4298; thence North 13° 58' 18" East 55.07 feet to a 5/8" rebar tagged LS. 4298; thence North 28° 12' 22" East 118.81; thence North 47° 21' 17" East, 44.29 feet to a 5/8" rebar tagged LS. 4298; thence North 66° 32' 36" East 95.21 feet to a 5/8" rebar tagged LS. 4298; thence North 50° 40' 46" East 147.30 feet to a 5/8" rebar tagged LS. 4298; thence North 55° 58' 48" East 68.03 feet to a 5/8" rebar tagged LS. 4298; thence North 32° 08' 11" East 55.25 feet to a 5/8" rebar tagged LS. 4298; thence North 16° 01' 08" East 54.51 feet to a 5/8" rebar tagged LS. 4298; thence North 28° 40' 24" East 128.51 feet to a 5/8" rebar tagged LS. 4298; thence North 5° 08' 21" East 206.50 feet to a 5/8" rebar tagged LS. 4298; thence North 51° 02' 34" East 46.05 feet to a 5/8" rebar tagged LS. 4298; thence North 83° 41' 59" East 55.45 feet to a 5/8" rebar tagged LS. 4298; thence North 49° 54' 50" East 99.57 feet to a 5/8" rebar tagged LS. 4298; thence North 15° 34' 42" West 498.90 feet to a 5/8" rebar tagged LS. 4298; thence North 25° 57' 40" East 172.49 feet to a 5/8" rebar tagged LS. 4298; thence North 26° 42' 31" West 184.77 feet to a 5/8" rebar tagged LS. 4298; thence North 25° 09' 39" East 160.96 feet to a 5/8" rebar tagged LS. 4298; thence continuing North 25° 09' 39" East 30.00 feet to the centerline of an existing road; thence Northwesterly along the centerline of said road being a curve concave to the Northeast whose radius point bears North 27° 22' 50" East 346.90 feet through a central angle of 9° 57' 06" an arc distance of 60.25 feet; thence leaving said centerline South 56° 26' 18" West 30.00 feet; thence continuing South 56° 26' 18" West 642.04 feet; thence South 36° 07' 55" East 137.67 feet; thence South 8° 32' 16" West 131.37 feet; thence South 73° 46' 48" West 168.99 feet; thence South 51° 37' 49" West 183.29 feet to the center of a 14" White Oak Tree; thence South 16° 17' 45" West 71.07 feet; thence North 55° 23' 32" West 381.70 feet to the center of a 20" White Oak Tree; thence North 35° 16' 44" West 103.54 feet to the center of a 10" White Oak Tree; thence North 31° 15' 53" West 107.28 feet to the center of a 26" White Oak Tree; thence North 16° 09' 31" West 67.94 feet to a 22" White Oak Tree; thence North 9° 57' 50" West 88.53 feet to a 5/8" rebar tagged LS. 4298; thence North 1° 52' 54" West 99.30 feet to a 22" White Oak Tree; thence North 6° 44' 41" East 268.83 feet to the center of a 14" White Oak Tree; thence North 0° 05' 42" East 126.35 feet to the center of a 20" White Oak Tree; thence North 1° 16' 42" West 182.37 feet to a 24" White Oak Tree; thence North 9° 24' 32" West 46.17 feet to the center of a 14" White Oak Tree; thence North 16° 53' 42" West 152.41 feet to the center of a 20" White Oak Tree; thence North 10° 11' 42" West 135.04 feet to the center of a 18" White Oak Tree; thence North 3° 46' 14" West 147.31 feet to the center of a 18" White Oak Tree; thence North 0° 42' 38" West 120.52 feet to the centerline of an existing road; thence Northerly along said centerline a curve concave to the Northeast whose radius point bears North 44° 35' 35" East 171.00 feet through a central angle of

05°00'46" an arc distance of 14.96 feet; thence along a curve to the left having a radius of 115.49 feet through a central angle of 112°17'41" an arc distance of 226.35 feet; thence South 27°18'34" West 205.64 feet; thence along a curve to the right having a radius of 110.00 feet through a central angle of 130°39'32" an arc distance of 250.85 feet; thence North 22°01'53" West 82.21 feet; thence along a curve to the left having a radius of 280.00 feet through a central angle of 15°08'09" an arc distance of 73.97 feet; thence North 37°10'03" West 83.63 feet; thence along a curve to the right having a radius of 150.00 feet through a central angle of 30°24'20" an arc distance of 79.60 feet; thence North 6°45'42" West 25.95 feet; thence leaving said centerline North 89°47'01" West 978.44 feet to a 3/4" iron pipe tagged LS. 2931; thence North 1321.98 to the point of beginning.

PARCEL 2:

Lots 1, 2, 3 and 4; the South 1/2 of the Northwest 1/4; the South 1/2 of the Northeast 1/4; the Northeast 1/4 of the Southeast 1/4; the West 1/2 of the Southwest 1/4; and the North 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 5, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 3:

The Northeast 1/4 of the Northwest 1/4 of Section 8, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 4:

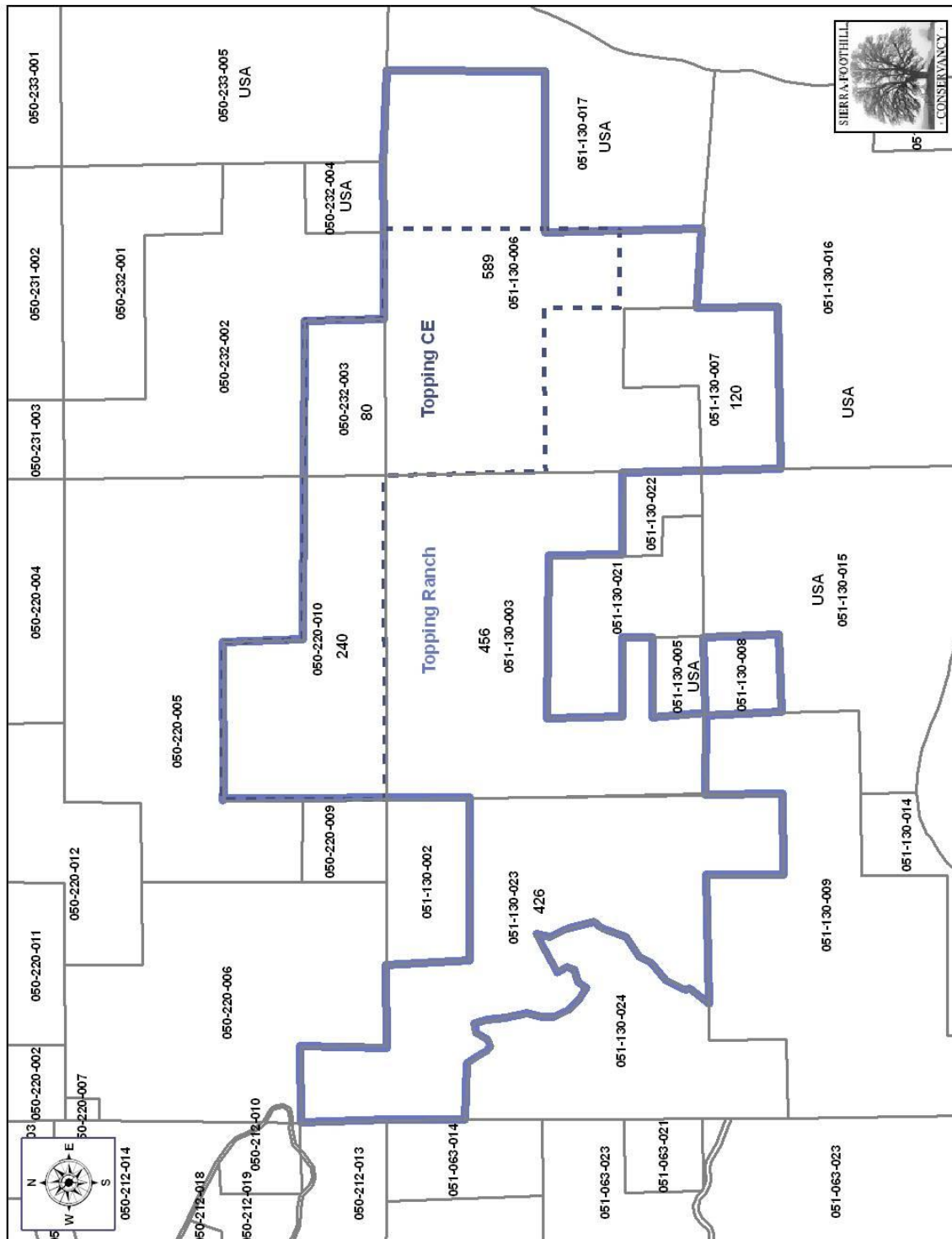
The West 1/2 of the Northwest 1/4 of Section 3; and Lots 1, 2, 3, 4, 5, 6, 8, and 9; the South 1/2 of the Northwest 1/4; and the North 1/2 of the Southwest 1/4; and the Southwest 1/4 of the Southwest 1/4 of Section 4, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 5:

The Southeast 1/4 of the Southwest 1/4 of Section 4; the North 1/2 of the Northwest 1/4 of Section 9, all in Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

APN: 051-130-023 (Parcel 1), 051-130-003 (Parcel 2), 051-130-008 (Parcel 3), 051-130-006 (Parcel 4), 051-130-007 (Parcel 5)

Map of the Property



LEASES AND AGREEMENTS

Williamson Act: The entire 1,962 acres of Topping Ranch is enrolled in the Williamson Act.

The Topping Family grazes their own cattle on Topping Ranch and there are no leases, agreements, memorandums of understandings, etc. affecting project lands or the future operation and maintenance of the property thereof.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

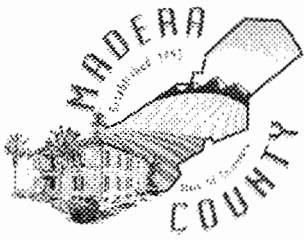
Letter of CEQA Exempt from Madera County for this proposed project is included.

REGULATORY REQUIREMENTS/PERMITS

There are no state or county regulatory requirements to be filed. State permits are not applicable for the Topping Conservation Easement Project because this is a transaction between two private parties concerning an interest in real property.

DEMONSTRATIONS OF SUPPORT

SFC has received a eight letters of support for this project including 1) Audubon California, 2) CA Department of Fish and Game, 3) California Native Plant Society, 4) Fresno Audubon, 5) Mary Ann McCrary, former DFG Biologist, 6) The Nature Conservancy, 7) The San Joaquin River Partnership, 8) Sierra Business Council, and 9) Sierra National Forest. Copies of the letters are included with this submission.



RESOURCE MANAGEMENT AGENCY PLANNING DEPARTMENT

Norman L. Allinder, AICP
Director

- 2037 W. Cleveland Avenue
- Mail Stop G
- Madera, CA 93637
- (559) 675-7821
- FAX (559) 675-6573
- TDD (559) 675-8970
- mc_planning@madera-county.com

September 9, 2010

RE: Topping Ranch Conservation
Easement
California Environmental
Quality Act Determination

To Whom it May Concern:

The purpose of this letter is to formally clarify that the "project" known as acquisition of conservation easements by the Sierra Foothill Conservancy for the Topping Ranch property has been found to be categorically exempt under CEQA Guidelines §15317 (Class 17).

Section 15317 addresses projects that are exempt from CEQA if the project deals with the acceptance of easements or fee interests in order to maintain the open space character of the area.

Should you have any questions regarding this matter, please feel free to contact me at (559) 675-7821, extension 3226.

Sincerely,

A handwritten signature in black ink, appearing to read "RM", written over a horizontal line.

Robert Mansfield, REA
Planner III

cc: Norm Allinder, Planning Director



765 University Avenue
Sacramento, California 95825
Tel: 916-649-7600
Fax: 916-649-7667
www.audubon.org

September 9, 2010

Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auburn, CA 95603

RE: Letter of Support for Topping Ranch Proposal

On behalf of Audubon California and our more than 150,000 members and supporters I am writing in support of Sierra Foothill Conservancy's proposed project to protect the remaining 1,350 acres of Topping Ranch in Madera County. We support this project because the San Joaquin River area is an important migration corridor and wintering ground for many wildlife species. Some of the less common bird species that have been viewed from the Ranch include Bald Eagle, Golden Eagle, Prairie Falcon, Cooper's Hawk, and Northern Harrier.

The ranch is located on Kennedy Table, above the San Joaquin River. This past spring one of our staff had the opportunity to visit Topping Ranch and it is clear this parcel is both incredibly scenic and biologically diverse,. It should be protected as part of the San Joaquin River conservation corridor.

Several areas west of the property that have been targeted for future development. Placing a conservation easement on Topping Ranch would ensure that it remains a viable working landscape that protects important native habitat, wildlife, and limited water resources. Sierra Foothill Conservancy has targeted projects within the San Joaquin upper watershed and Fine Gold Creek drainages. Topping Ranch is a key property for both areas.

We appreciate the opportunity to recommend this exceptional project for Sierra Nevada Conservancy Proposition 84 funding. Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink that reads "Daniel Taylor".

Daniel Taylor
Director of Public Policy



State of California - The Natural Resources Agency
DEPARTMENT OF FISH AND GAME
Central Region
1234 East Shaw Avenue
Fresno, CA 93710
<http://www.dfg.ca.gov>

ARNOLD SCHWARZENEGGER, Governor
JOHN McCAMMAN, Director



September 9, 2010

Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auberry, California 95603

Attention: Executive Staff and Board of Directors

Subject: Letter of Support for Conservation Easement Funding for the
Remainder of Topping Ranch, Madera County

Dear Executive Staff and Board of Directors:

The California Department of Fish and Game (Department) would like to express support for the Sierra Foothill Conservancy's (SFC) funding request for a conservation easement on the 1,350 acre Topping Family Ranch in Madera County. The APN numbers are 051-130-023, 051-130-003, 051-130-008, 051-130-006, and 051-130-007. The desired conservation easement will complete the conservation of the Topping Ranch which contains blue oak woodlands, annual grasslands, and basalt flow vernal pools containing various endangered species occurring on the ancient volcanic lava flow area on Kennedy Table. Additionally, it will increase habitat connectivity with adjacent conservation easements and further provide contiguous habitat with 25,000 acres of publicly owned land along the San Joaquin River and Millerton Lake which also connects with the Sierra National Forest. The conservation easement will provide further protection to the Fine Gold Creek watershed by ensuring these lands are not further developed above the current existing residences.

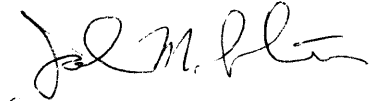
Successful acquisition of the property would effectively:

- 1) increase habitat connectivity with adjacent conservation easements,
- 2) provide additional habitat for wildlife and plant species,
- 3) eliminate the potential for further development on Kennedy Table, a basalt flow 'table top' that supports native habitats and endangered vernal pool species,
- 4) provide further protection for water quality in the Fine Gold Creek watershed,
- 5) and meet objectives defined in the Millerton Lake Watershed Conceptual Area Protection Plan (CAPP).

Conserving California's Wildlife Since 1870

Please consider the Department's support when reviewing SFC's funding request to conserve the remaining portions of the Topping Family Ranch. If you would like further information, please contact Krista Tomlinson, Senior Environmental Scientist, at (559) 243-4017, extension 223.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey R. Single".

Jeffrey R. Single, Ph.D.
Regional Manager

ec: Palmisano, Tomlinson

California Native Plant Society

2707 K Street, Ste. 1 • Sacramento, CA 95816-5113 • (916)447-2677 • Fax (916)447-2727

September 10th, 2010

Sierra Nevada Conservancy
11521 Blocker Drive, Ste. 205
Auburn, CA 95603

RE: Letter of Support

Dear

This letter is written in support of Sierra Foothill Conservancy's proposal to place a conservation easement on 1,350 acres of Topping Ranch in Madera County. Topping Ranch is located on Kennedy Table, perched above the San Joaquin River. California Native Plant Society (CNPS) staff have collected vegetation data on the property and can speak for the Ranch's significant botanical diversity.

Sierra Foothill Conservancy has a track record of completing great projects throughout the central Sierra, and the San Joaquin River corridor has been targeted as a high priority area. SFC has already protected 600 acres of vernal pool habitat on Topping Ranch. By placing a conservation easement on the remaining 1,350 acres, the property will link protected private, public, and state lands along the San Joaquin River corridor.

The Ranch is highly developable, so the proposed project would help ensure that native habitat with clean and limited water resources will be protected far into the future. We appreciate the opportunity to recommend this exceptional project for Sierra Nevada Conservancy Proposition 84 funding.

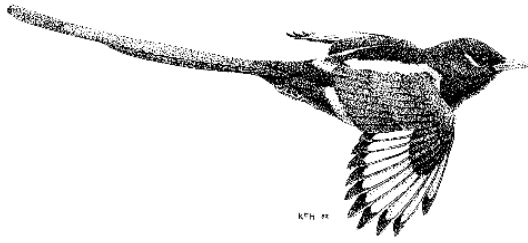
Sincerely,



Julie M. Evens
Vegetation Program Director



Tara Hansen
Executive Director



Fresno Audubon Society

September 8th, 2011

Sierra Nevada Conservancy
11521 Blocker Drive, Ste. 205
Auburn, CA 95603

RE: Letter of Support


I am writing in support of Sierra Foothill Conservancy's proposed project to protect the remaining 1,350 acres of Topping Ranch in Madera County. Fresno Audubon Society supports this project because the San Joaquin River area is an important migration corridor and wintering ground for many wildlife species. Some of the less common bird species that have been viewed from the Ranch include bald eagles, golden eagles, prairie falcons, cooper's hawk and northern harriers.

The Ranch is located on Kennedy Table, above the San Joaquin River. It is incredibly scenic, biologically diverse, and should be protected as part of the San Joaquin River conservation corridor.

There are several areas along the river that have been targeted for future development and placing a conservation easement on Topping Ranch would ensure that it remains a viable working landscape that protects important native habitat and limited water resources.

Sierra Foothill Conservancy has targeted projects within the San Joaquin upper watershed and Fine Gold Creek drainages. Topping Ranch is a key property for both areas.

We appreciate the opportunity to recommend this exceptional project for Sierra Nevada Conservancy Proposition 84 funding.

Sincerely, 
Brandon Hill
President
Fresno Audubon Society

September 10, 2010
5136 Bidwell Road
Redding, CA 96001

To Whom It May Concern:

I am writing in support of establishing a Conservation Easement (CE) on the remainder of the Topping Ranch in Madera County, California. The existing 600 acre CE protects a rare example of northern basalt-flow vernal pools set in one of the most profuse native wildflower spring-time displays remaining in California. Both the vernal pools and upland areas are in remarkably excellent condition and this is a direct result of the skillful management of the ranch that has been on-going for generations.

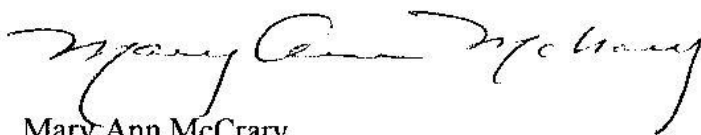
The entire ranch is needed to remain as open "undeveloped" land in order for future ranch managers to have the same ecologically beneficial management options available to them. Grazers are needed to maintain the current healthy balance among native and exotic plant species in the vernal pool grasslands ecosystem. In the distant future, should this ranch become a park, grazers would still be needed to maintain ecosystem health.

The additional habitats that would be preserved by a CE on the remainder of the ranch also have considerable value. The blue oak savannah plant community is under-represented in public lands and other protected areas, because the Sierran foothills have historically been private ranchlands. Agricultural land with scenic values near growing urban centers is especially vulnerable to becoming suburban housing.

The position of the Topping Ranch so near the San Joaquin River canyon makes it part of an important wildlife corridor. I have personally seen bobcat there and am aware of black bear, deer and mountain lion use of the property.

I am familiar with the Topping Ranch, because the Toppings allowed me and other Department of Fish and Game staff to use the vernal pools and surrounding upland as a control in a vernal pool grassland management study. It was very valuable to have data from their well-managed vernal pool grasslands to serve as a standard to improve management of vernal pool grasslands on state-owned land.

It is my sincere hope that the entire ranch can be protected in perpetuity by a Conservation Easement. This is precisely what Conservation Easements are for, to ensure that the gems of California's native habitats still exist for future generations of Californians to study and enjoy.



Mary Ann McCrary
Region 4 Botanist for DFG from 1999-2005

September 8th, 2011

Sierra Nevada Conservancy
11521 Blocker Drive, Ste. 205
Auburn, CA 95603

RE: Letter of Support

To whom it may concern:

I am writing in support of Sierra Foothill Conservancy's proposed project to protect the remaining 1,350 acres of Topping Ranch in Madera County.

This past spring, our staff had the opportunity to visit the Topping Ranch and meet the Topping Family. The Ranch is located on Kennedy Table, above the San Joaquin River. It is incredibly scenic, biologically diverse, and should be protected as part of the San Joaquin River conservation corridor. There are several areas along the river that have been targeted for future development and placing a conservation easement on Topping Ranch would ensure that it remains a viable working landscape that protects important native habitat and limited water resources.

This project is an excellent candidate for Proposition 84 funding and meets three of SNC's program goals including 1) conserving the regions' physical, cultural, and living resources; 2) Aiding in the preservation of working landscapes, and 3) protecting and improving water quality.

Sierra Foothill Conservancy has targeted projects within the San Joaquin upper watershed and Fine Gold Creek drainages. Topping Ranch is a key property for both areas. The Nature Conservancy is involved and interested in ensuring that the restoration of the San Joaquin River below Friant dam is successful and believes that land conservation above the dam is an essential component of this.

We appreciate the opportunity to recommend this exceptional project for Sierra Nevada Conservancy Proposition 84 funding.

Sincerely,



Sandi Matsumoto
San Joaquin Valley Project Director

SAN JOAQUIN RIVER PARTNERSHIP

Audubon California •

Ducks Unlimited •

Natural Resources •
Defense Council

Revive the San Joaquin •

River Partners •

Sierra Foothill Conservancy •

San Joaquin River Parkway •
and Conservation Trust

The Nature Conservancy •

PRBO Conservation Science •

The Trust for Public Land •

Tuolumne River Trust •

Dave Koehler
Partnership Coordinator

Fernando Garcia Reyes
Communications Associate

September 7, 2010

Jim Branham, Executive Officer
Sierra Nevada Conservancy
11521 Blocker Drive, Ste. 205
Auburn, CA 95603

RE: Support for Topping Ranch Conservation Easement

Dear Mr. Branham,

On behalf of the San Joaquin River Partnership, I'm writing in strong support for Sierra Foothill Conservancy's Topping Ranch Project. The Topping Ranch, which is located in Madera County on Kennedy Table, should be permanently protected as part of the greater San Joaquin River conservation corridor.

Sierra Foothill Conservancy has already placed 600 acres of vernal pools on the Ranch under conservation easement. Protecting the remaining 1,350 acres of the Ranch will link with over 30,000 acres of other permanently conserved private, state, and federal lands.

The San Joaquin River Partnership is a collaborative of eleven conservation organizations committed to supporting river restoration and land conservation from the River's headwaters to the delta. This past spring, the Partnership toured the Topping Ranch, and was impressed by its incredible biological diversity and scenic views of the River.

We believe that the Topping Ranch Project is an excellent use of Proposition 84 funds because of the Ranch's importance within the Fine Gold Creek Drainage and the San Joaquin River Corridor. The Ranch is highly developable and placing a conservation easement on the remaining 1,350 acres of property will help protect clean water resources, native plant and wildlife habitat, and an amazing viewshed. The Ranch is also an excellent example of working landscapes that will provide for habitat protection in the face of climate change and biological diversity of the San Joaquin River ecosystem.

Once again, we appreciate the opportunity to recommend this exceptional project for Sierra Nevada Conservancy Proposition 84 funding.

Sincerely,


Dave Koehler
Partnership Coordinator

September 9, 2010

Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auburn, CA 95603

RE: Grant Application to the Sierra Nevada Conservancy

To whom it may concern:

On behalf of Sierra Business Council, I am writing to support the Sierra Nevada Conservancy grant applications of Sierra Foothill Conservancy for The Topping Ranch Conservation Easement to complete the conservation of the Topping Ranch.

This project is one of the top acquisition priorities of Sierra Foothill Conservancy and is critical to maintaining over 30,000 contiguous acres of publically and privately owned land along the Upper San Joaquin River Corridor, which eventually connects with Sierra National Forest.

The SFC vision and priority acquisition projects support Prop 84's conservation goals of protecting and restoring California's rivers, lakes and streams, their watersheds and associated land, water, and other natural resources. This project directly supports the Sierra Nevada Conservancy's goal of protecting, conserving, and restoring the Region's physical, cultural, and historical assets while aiding in the preservation of working landscapes.

Providing SFC with this acquisition grant would allow a fourth generation family owned ranch to continue protecting a contiguous tapestry of prime ranchland, important vernal pool habitat and blue oak woodland with spectacular table top views of the Sierra Nevada range.

By ensuring that these lands remain undeveloped the water quality of the Fine Gold Creek is protected from added sediment and hazardous material runoff associated with development. The Kennedy Table Area has been identified by the California Department of Fish and Game as an important area for protection in the Millerton Watershed.

In closing, we strongly recommend the funding of this project based on the high benefit protecting these acres will provide to the region and the strong capacity of the SFC staff and the Topping family to manage these lands. The Sierra Nevada Conservancy grant is vital to their conservation.

Sincerely,



Steve Frisch
President, Sierra Business Council



USDA
Forest
Service

Sierra National Forest
Bass Lake Ranger District

57003 Road 225
North Fork, CA 93643
(559) 877-2218
(559) 877-3108 FAX
(800) 735-2929 CA Relay Service

Sierra Nevada Conservancy
11521 Blocker Drive, Ste. 205
Auburn, CA 95603

Date: September 6, 2010

RE: Letter of Support

I am writing in support of Sierra Foothill Conservancy's proposed project to protect the remaining 1,350 acres of Topping Ranch in Madera County. The completion of the Topping Ranch Project would link private, federal and state lands with the Sierra National Forest. The project would help ensure the protection of a large and continuous corridor from the foothills to the central Sierra Nevada.

The Ranch is located on top of Kennedy Table, above the San Joaquin River. It is incredibly scenic, biologically diverse, and would add immense value as part of the San Joaquin River conservation corridor. Sierra Foothill Conservancy has targeted projects within the San Joaquin upper watershed and Fine Gold Creek drainages. Topping Ranch is a key property for both areas. Placing a conservation easement on the remaining 1,350 acres of Topping Ranch will create a buffer for sensitive vernal pool species and will protect important blue oak woodland and annual grassland habitat.

I have visited this property over the years on interagency botany field trips and it is truly one of the botanical gems of our area. The native wildflower diversity and the sheer abundance of native plants is ecologically and aesthetically significant.

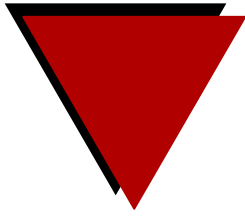
There are several areas along the river that have been targeted for future development and protecting Topping Ranch would ensure that it remains a viable working landscape that conserves important native habitat and limited water resources.

Thank you for the opportunity to recommend this exceptional project for Sierra Nevada Conservancy Proposition 84 funding.

Sincerely,

JOANNA CLINES
Forest Botanist
Sierra National Forest
57003 Road 225
North Fork, CA 93643
Phone: 559/877-2218, ext. 3150
Fax: 559/877-3108
email: jclines@fs.fed.us





Mitchell S. Dunshee Appraisals, Inc.

Independent Real Estate Appraisers and Consultants

2377 W. Shaw, Suite 202
Fresno, CA 93711

Telephone: (559) 222-1669
Facsimile: (559) 222-1687

Email: MDunshee@sbcglobal.net

**REAL ESTATE APPRAISAL
SUMMARY REPORT
OF**

The Topping Ranch Properties
A Conservation Easement on a $\pm 1,362.09$ -
Acre Foothill Property Located in Madera
County, CA

File No. 2010 020

DATE OF VALUE

August 25, 2010

PREPARED FOR

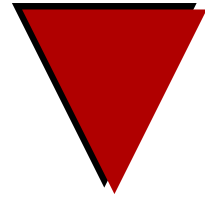
Chuck Peck
Land Protection Director
Sierra Foothill Conservancy
P.O. Box 529
Prather, California 93651

PREPARED BY

Mitch Dunshee, MAI
Scot Fipps, MAI

Mitchell S Dunshee Appraisals, Inc.

Independent Real Estate Appraisers and Consultants



September 10, 2010

Chuck Peck
Executive Director
Sierra Foothill Conservancy
P.O. Box 529
Prather, California 93651

RE: The Topping Ranch; a conservation easement on a $\pm 1,362.09$ -gross acre foothill property located approximately three miles northeast of Millerton Lake in eastern Madera County
Trust Property: $\pm 1,242.09$ acres; APN's: 051-130-003, 006 (portion), 008, and 023
Jane Topping: ± 120.0 acres; APN: 051-130-007

Dear Mr. Peck:

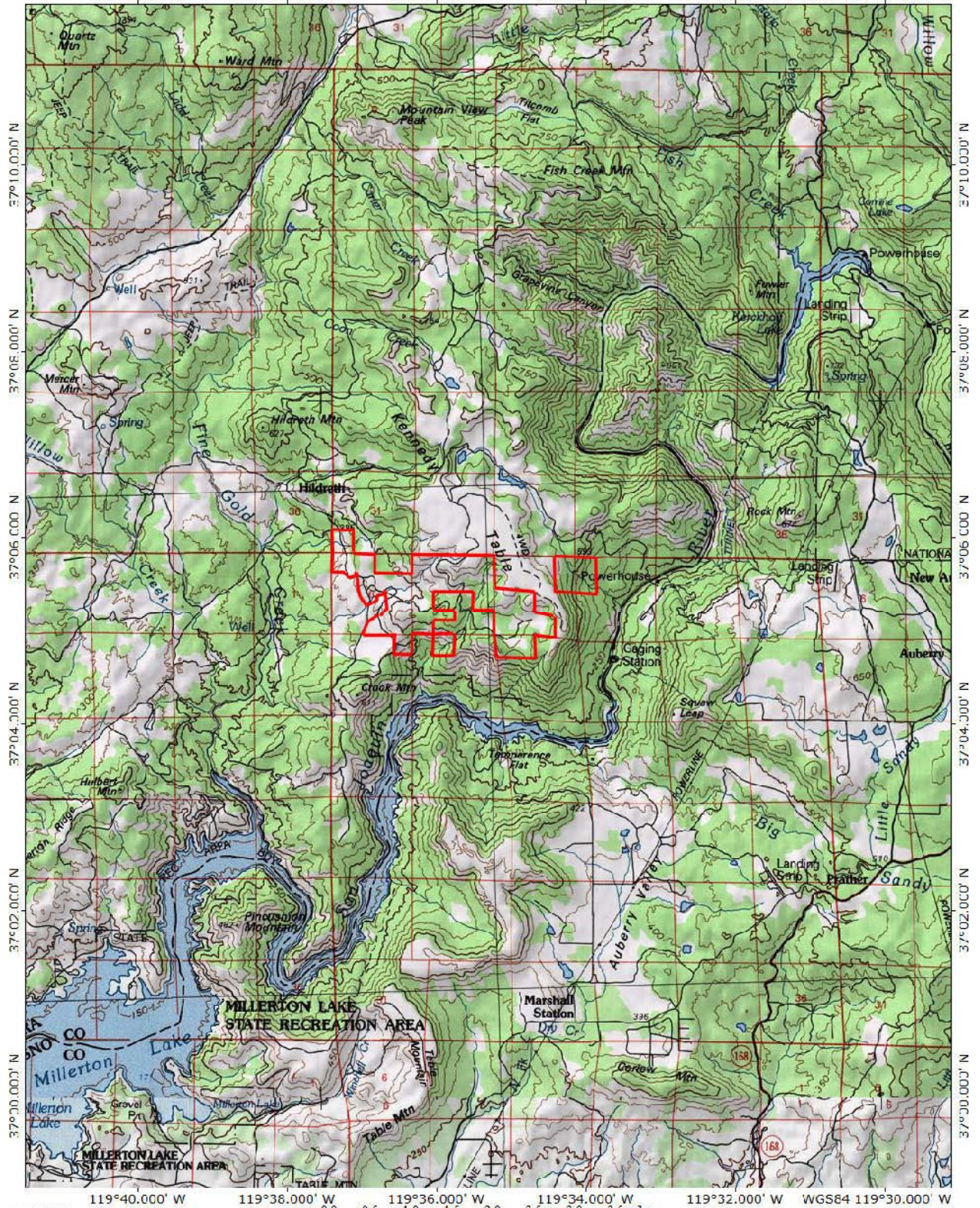
As per your request, this office has estimated the Market Value of the fee title of the subject properties and the proposed conservation easement. The subject property is located in Madera County in the foothills above Millerton Lake. The effective date of value is August 25, 2010. This real estate appraisal is being submitted in a Summary Format. Supporting documentation is retained in the appraiser's files. It is our understanding that the appraisal will be utilized to assist in arranging a charitable donation.

We have made a personal inspection of the properties, and have analyzed the discernible factors that index its value. The results of this investigation are also contained in the accompanying report. This office has no present or intended future interest in the property under appraisal, and the fee charged for this appraisal was not based on the total appraisal figure, but on time and responsibility involved. Our analyses, opinions, conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice, (USPAP).

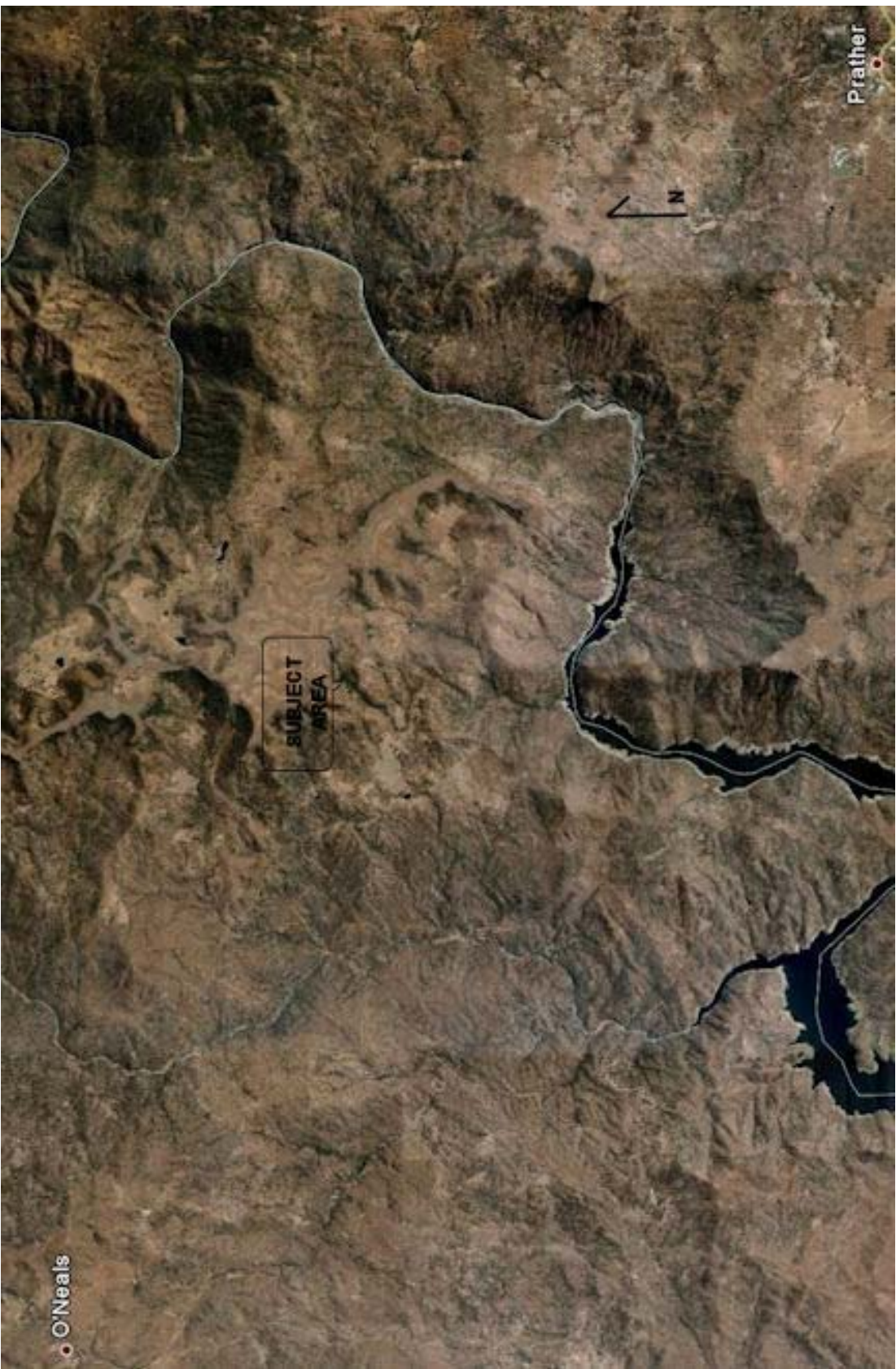
No rolling stock, livestock, equipment, or other furniture, fixtures or equipment were appraised in this assignment.

W. R.

Ant. F.



TN/MN
14 1/2"



Appraisal Summary

LOCATION

Approximately three miles northeast of Millerton Lake
Road 210 and easement access
The SW ¼ of the SW ¼ of Section 31, T. 9 S. R. 22 E.,
and portions of Sections 3, 4, 5, 6, 7, 8 and 9all of T.
10 S., R. 22 E., M.D.B.& M.

DATE OF VALUATION

August 25, 2010

OWNERS OF RECORD

Please refer to the title report in the addendum

ASSESSOR'S PARCEL NUMBERS

Bart Topping & Cynthia Topping undivided 43.75% and
Jane Topping Trustee undivided 56.25%: 051-130-003,
006 (portion), 008 & 023
Leonard & Jane Topping Trust: 051-130-007

PROPERTY INTERESTS APPRAISED

Fee Simple
Conservation Easement

COUNTY

Madera County

HIGHEST & BEST USE

As If Vacant: Foothill rangeland & recreation
As Improved Foothill rangeland & recreation.
Continued use of the existing
building improvements.

PROPERTY TYPE

Foothill rangeland and recreation

ZONING

ARE-40: Exclusive Agricultural, with a 40-acre
minimum parcel size. (Madera Co.)

GROSS BUILDING AREAS

Main House ±1,600 sf
Barn ±2,000 sf

FLOOD ZONE

Zone X (unshaded); areas determined to be
outside of the 500-year flood plain. FEMA
Community Panel #06039C 1025E, dated
September 26, 2008.

Adobe House ±1,064 sf
Detached Garage/Shed ±237 sf

SITE DATA

Trust Property ±1,242.09 acres
Jane Topping Property ±120.00 acres
Total Acres ±1,362.09 acres

EARTHQUAKE FAULT ZONE

Not In An Alquist-Priolo Earthquake Studies
Zone
Zone 3; ICBO Seismic Earthquake Zone

WATER

One spring fed stock pond & two seasonal creeks
Two domestic wells

ELEVATION & TOPOGRAPHY

±1,000-to-2,300 feet
gently sloping-to-steep topography

HAZARDOUS SUBSTANCES

None Known - See Limiting Conditions

Value Conclusions

FAIR MARKET VALUE AS OF AUGUST 25, 2010	\$1,500,000
AS IF ENCUMBERED BY THE PROPOSED CONSERVATION EASEMENT	\$820,000

ASSUMPTIONS & LIMITING CONDITIONS

In acceptance of this appraisal assignment and completion of this appraisal report submitted herewith, it has been assumed by the appraisers:

1. As per the clients request, this real estate appraisal is being submitted as a Summary Report, which is intended to comply with the reporting requirements set forth the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, this report presents a summary of the primary and secondary data, the reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. The legal description, as given, is correct. However, the legal description, if included herewith, should be verified by legal counsel before being used in any conveyance or other legal documents.
5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
6. Certain opinions, estimates, data and statistics furnished by others in the course of this investigation have been assumed to be reliable. To the extent possible, this information was cross checked for accuracy.
7. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
9. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
11. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the **American with Disabilities Act**. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applied only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the part to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
17. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser, the firm with which the appraiser is connected, or any reference to the Appraisal Institute, MAI or RM designation shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
18. The value estimates, as reported, are in dollars and in fair basis currency in the banking exchange prevailing at the date of appraisal.
19. Any exhibits included in this report are intended to assist the reader in visualizing the property and its surroundings. The drawings are not intended as surveys and no responsibility is assumed for this cartographic accuracy.
20. If, for any reason, this appraisal and appraiser is needed in court as an expert witness concerning the property, additional compensation will be paid over and beyond the fee charged for this appraisal.
21. In this assignment, the existence (if any), of potentially hazardous materials on this site has not been considered. These materials may include, but are not limited to, toxic wastes. The appraiser is not qualified to detect such substances.

Extraordinary Assumptions and Limiting Conditions

1. We were not supplied with a technically correct legal description of the subject property. The information submitted indicated the subject includes a total acreage of 1,362.09 acres. We have assumed this acreage estimate to be accurate for this appraisal.
2. The Conservation Easement supplied is labeled as a "Draft" and is not signed. It is a Hypothetical Assumption of this appraisal when we appraise the subject in the after condition, that the Conservation Easement is final, signed and a legal document that legally restricts the subject property as described.
3. This appraisal was based upon the Conservation Easement being purchased not a donation. The appraisal report is **not** intended to comply with Internal Revenue Service appraisal requirements for noncash contributions.

W D

Ant. F.

APPRAISER'S QUALIFICATIONS

Mitchell S Dunshee, MAI

Mitchell S Dunshee Appraisals, Inc.
2377 W. Shaw Suite 202
Fresno, CA 93711

Telephone: 559-222-1669

Fax: 559-222-1687

Education

Bachelor of Science Degree, Plant Science, University of California at Davis, 1980 Graduate
American Institute of Real Estate Appraisers Courses Completed:

- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Capitalization Theory & Techniques I
- Capitalization Theory & Techniques A
- Capitalization Theory & Techniques B
- Valuation Analysis and Report Writing
- Standards of Professional Practice
- Case Studies

Experience

1980-1996	Appraiser, Dunshee, Dunshee & Associates, Independent RE Appraiser's
1996-2002	Principal, The Dunshee Appraisal Group, Independent RE Appraiser's
since 2002	President, Mitchell S. Dunshee Appraisals, Inc.

Appraisal Experience

- Single Family Residences
- Commercial Properties
- Industrial Properties
- Agricultural Properties

Professional Affiliation

MAI, Appraisal Institute (#10,879)

Expert Witness

- Fresno County Superior Court
- Fresno County Bankruptcy Court

Certification

Certified General Real Estate Appraiser, License No. AG002575

APPRAISER'S QUALIFICATIONS

Scot D. Fipps, MAI
Mitchell S Dunshee Appraisals, Inc.
2377 W. Shaw Suite 202
Fresno, CA 93711

Telephone: 559-222-1669

Fax: 559-222-1687

Education

1980	B.S. with Honors; Agricultural and Managerial Economics, University of California at Davis
1990	M.S. with Honors; Agricultural Business, California State University Fresno

Professional Courses

Appraisal Institute

1987	Real Estate Appraisal Principles
1988	Basic Valuation Procedures
1990	Capitalization Theory -- Part A
1991	Case Studies; Capitalization Theory Part B; Report Writing
1994	Standards of Professional Practice -- Part A & B International Right of Way Association
1995	The Appraisal of Partial Acquisitions

Experience

Apr 86 – Sep 91	Staff Appraiser, Dunshee, Dunshee & Associates, Fresno
Sep 91 – May 95	Staff Appraiser, Robert Ford & Assoc., Inc., Modesto
May 95 – May 96	Staff Appraiser, Professional Appraisal and Right of Way Services, Sacramento
Jun 96 – Jan 97	Assistant Vice President/Commercial Manager, The Property Sciences Group, Inc., Sacramento Branch
Feb 97 – Present	Independent Appraiser, Fresno

Professional Designations and Affiliations

MAI with the Appraisal Institute, (#11450)

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ADDENDA

Preliminary Title Report
Deed of Conservation Easement

APPRAISAL PROBLEM

The appraisal assignment involves estimating the As Is Fair Market Value of the fee simple interest and the value as if encumbered by a proposed conservation easement, of a ±1,362.09-acre foothill rangeland-recreation property. There are two separate but related ownerships. Bart Topping & Cynthia Topping as to an undivided 43.75% and Jane Topping Trustee as to an undivided 56.25% interest has title to ±1,242.09-acres of the subject. The Leonard & Jane Topping Trust holds separate title to ±120.00 acres. There is an old ±1,600-square foot house, a ±1,064-square foot adobe house, a small detached garage and an old ±2,000 square foot barn with some corrals. The building improvements are minor and do not contribute very much to the overall value of the subject property. There are two domestic wells and septic systems. For the purpose of this report, where the buildings have the same value before the proposed conservation easement as after the easement is in place, we have not valued the building improvements.

The property is located in the Sierra Nevada foothills approximately three miles northeast of Millerton Lake in eastern Madera County. The property is accessed using County Road 210 and then crossing a deeded access easement for a short distance. This real estate appraisal will be submitted in a Summary report format. The purpose of the report is to assist in creating a conservation easement that will encumber the subject protecting the area from potential future rural residential development.

Scope and Intended User

The appraisal required inspection of the properties, collection of all appropriate market data available, exterior inspection of the appropriate market data, confirmation of the data, analysis of data as it relates to the valuation of the subject properties, conclusion to a value for the subject property and finally the preparation of the appraisal report. All data, techniques and procedures considered appropriate for this appraisal assignment have been utilized.

The client is the Sierra Foothills Conservancy. This appraisal is intended for the client, the property owners, and for the State of California. This report may not be reproduced and/or distributed to anyone except the client and intended users without the express permission of Mitchell S. Dunshee Appraisals, Inc.

Purpose

The purpose of this appraisal is to estimate the As Is Fair Market Value of the fee simple interest, and the value as if encumbered by a conservation easement on the subject property as of August 25, 2010. The function of this report is understood to be to assist in creating the proposed conservation easement.

Definition of Fair Market Value

*"The Fair Market Value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts."*¹

Property Rights Appraised

The property rights appraised in this report are the fee simple rights, less mineral rights, of the subject, and a the fee simple rights, less mineral rights as if encumbered by a conservation easement. A title company preliminary report was available to this office for the appraisal process.

Fee Simple Estate:

*Absolute ownership, unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power and escheat.*²

Conservation Easement:

The conservation easement will prohibit the development of structures on the subject, including residences, on all but three ±5-acre building envelopes. Two of the building envelopes are for the existing houses, and the third is for the existing barn and corrals. The vast majority of development rights on the subject have been extinguished. The subject can continue to be used for livestock grazing and recreational purposes. The easement allows for periodic inspections of the subject to ensure the property is being managed properly. A copy of the Draft Conservation Easement is included in the addenda of this appraisal report.

¹ (1.170A-1 (c) (2); 20.2031-1 (b); 25.2512-1)

² *The Dictionary of Real Estate Appraisal*, Third Edition, Appraisal Institute. Chicago, IL., pp. 140.

GENERAL DATA AND MARKET TRENDS

Regional Analysis

The subject is located approximately 25 miles northeast of Fresno, and ± 3 miles northeast of Millerton Lake, in eastern Madera County. Fresno County is located adjacent to and south of Madera County, in the San Joaquin Valley. The City of Fresno is located in the center of the San Joaquin Valley of California. Fresno is the social and economic center of the southern San Joaquin Valley. The southern San Joaquin Valley is comprised of eight Counties: San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings and Kern. The Valley is one of the most productive agricultural regions in the world. Fresno has an airport that is a designated inland port of entry. Southern Pacific and Santa Fe railroads serve the Valley. Two major north-south freeways, Interstate 5 and Highway 99, connect the Valley to Los Angeles 222 miles to the south, and to San Francisco and Sacramento to the north; both approximately 180 miles from Fresno. The nearest deepwater port is Stockton, in San Joaquin County.

The central San Joaquin Valley has a semi-arid climate, with mild winters, long hot summers, and annual rainfall of approximately ten inches on average. The region is sparsely populated generally. Major communities are located along the Southern Pacific Railroad tracks. Fresno is the largest community in the southern San Joaquin Valley, and is the County seat of Fresno County.

Area Analysis

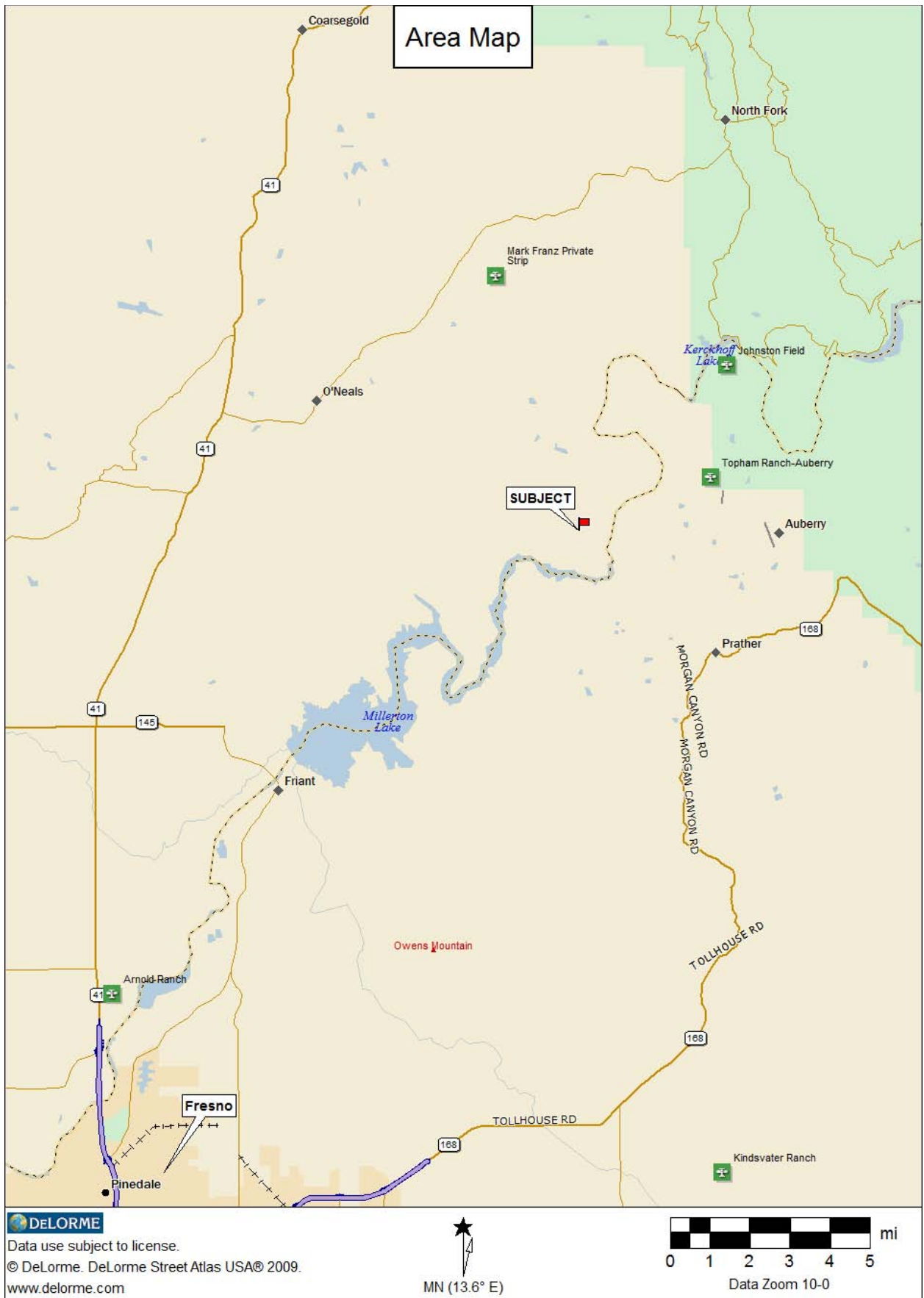
Madera County is located in the exact center of California, in the heart of the Central Valley and the Central Sierras. It is one of the fastest growing counties in California. Fresno County borders Madera to the south, Mariposa and Merced Counties are to the north, and Mono County is to the east. Madera County is located approximately 20 miles from the Fresno Metropolitan Area, 166 miles from the Bay Area, 240 miles from Los Angeles, 88 miles from Yosemite, and 160 miles from the Pacific Ocean.

MADERA COUNTY POPULATION TRENDS

Year	2005	2006	2007	2008	2009	2010	5 Yr. Avg.
Chowchilla	16,065	17,089	17,827	18,780	19,051	18,698	3.3%
Madera	50,842	52,584	55,780	56,710	57,318	58,243	2.9%
Unincorporated	74,100	74,723	75,114	75,397	75,962	76,714	0.7%
Total	141,007	144,396	148,721	150,887	152,331	153,655	1.8%

Source: State Department of Finance

Madera County, roughly 2,147 sq. miles in area, has a population of approximately 153,655 (January 2010).



Between the years of 2005 and 2010, Madera County's population increased from 141,007 to 153,655 residents, an annual average increase of $\pm 1.8\%$. A reasonable population growth rate estimate for the next five years is 2.0% per year for the County.

Unemployment Trends

MADERA MSA ANNUAL AVERAGE UNEMPLOYMENT STATISTICS					
Title	2005	2006	2007	2008	2009
Civilian Unemployment Rate	7.7%	7.0%	7.6%	9.4%	13.7%

Source: State Employment Development Department

Madera County unemployment was reported at 14.8% for June 2010. The Oakhurst CDP (Census Designated Place) June unemployment was reported at 5.9%.

Employment Trends

From 2006-to-2009, total non-farm employment decreased by $\pm 1,300$ jobs. Total farm employment decreased by 300 jobs. Employment levels increased in the service providing industries by 500 jobs, and goods producing industries decreased by 1,900 jobs.

MADERA MSA ANNUAL AVERAGE EMPLOYMENT STATISTICS				
TITLE	2006	2007	2008	2009
Total, All Industries	45,400	45,300	45,800	43,800
Total Farm	10,300	10,300	10,900	10,000
Total Nonfarm	35,100	35,000	34,900	33,800
Total Private	24,900	24,400	24,100	22,800
Goods Producing	6,300	5,700	5,200	4,400
Natural Resources, Mining & Construction	2,900	2,400	1,900	1,500
Manufacturing	3,300	3,300	3,300	3,000
Durable Goods	2,100	2,100	2,100	1,800
Nondurable Goods	1,300	1,200	1,200	1,100
Service Providing	28,900	29,300	29,700	29,400
Private Service Producing	18,700	18,800	18,900	18,400
Trade, Transportation and Utilities	5,400	5,300	5,200	5,100
Wholesale Trade	800	600	600	600
Retail Trade	3,800	3,800	3,700	3,600
Transportation, Warehousing and Utilities	900	1,000	1,000	900
Information	500	500	500	400
Financial Activities	900	800	800	800
Professional and Business Services	2,500	2,900	2,800	2,600
Educational and Health Services	5,900	5,700	5,900	6,000
Educational Services	200	200	200	200
Health Care and Social Assistance	5,800	5,500	5,700	5,800
Health Care	5,200	4,900	5,100	5,200

MADERA MSA ANNUAL AVERAGE EMPLOYMENT STATISTICS				
TITLE	2006	2007	2008	2009
Social Assistance	600	600	600	600
Leisure and Hospitality	2,700	2,700	2,800	2,700
Other Services	800	800	800	800
Government	10,200	10,500	10,800	11,000

Source: State of California EDD

The services sector contains the highest number of jobs in the Madera MSA. The second largest employment sector is government at 11,000 jobs. The ag-sector provided ±23% of Madera County total wage and salary employment in 2010. The ten leading crops for 2008 are shown on the facing table. The leading growth sector in the last decade has been the service sector, followed by the trade and government industries. The jobs provided by the agricultural sector of the economy are predominantly low paying, seasonal jobs. However, as the table shows, the dollar revenue generated by agricultural commodities remains the most important part of Madera County's economic base.

MADERA COUNTY TOP TEN CROPS			
Crop	2008 Rank	2008 Dollar Value	2007 Rank
Milk	1	\$293,839,000	1
Grapes	2	232,661,000	3
Almonds, (nuts & hulls)	3	212,226,000	2
Pistachios	4	178,831,000	4
Replacement Heifers	5	54,427,000	5
Alfalfa	6	50,375,000	6
Cattle & Calves	7	41,880,000	7
Nursery Stock	8	33,820,000	8
Poultry	9	33,708,000	9
Corn	10	29,105,000	9
Top Ten Total		\$1,160,872,000	

In Summary, the area economy is not strong, with total non-farm jobs having decreased from 2008 to 2009. The Rio Mesa and Gunner Ranch new towns have yet to begin any development.

Neighborhood Analysis

The subject is located off Road 210 roughly eight miles east of Highway 41, and approximately eighteen (18) miles below the town of Coarsegold. Highway 41 is the major arterial in the neighborhood, and is the "Gateway to The Sierra's", connecting Highway 99 with Yosemite National Park.

Coarsegold is a very small conglomeration of shops and businesses and providing basic services and tourist shopping opportunities.

Neighborhood Map



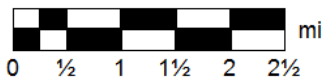
Data use subject to license.

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www.delorme.com



MN (13.6° E)



Data Zoom 11-0

Oakhurst, the mountain community nearest the subject, is unincorporated, but is a good-sized community with a range of goods and services available. Highway 41 is the major commercial strip. There is a community shopping center at the northwest corner of Highway 41 and Highway 49 anchored by a SaveMart supermarket. Highway 41 is densely developed to mixed commercial uses for the next couple of miles with eating establishment, hotels, motels, gas stations, and real estate offices predominating. The uses reflect the tourism economic base of the community. Oakhurst has a couple of retirement communities, elementary schools, a junior high school, a high school and numerous churches. There is a building moratorium in Oakhurst due to the existing water supply being at capacity. Rural residential uses are found all around the area outlying Oakhurst. Highway 49 travels north to Mariposa in Mariposa County and eventually reaches Placerville in El Dorado County intersecting Interstate 50.



An artist's rendering of the Chukchansi Indian Gaming Casino. The Casino has a 52,000-square-foot gaming floor with 1,800 slots, 50 gaming tables, a 1,100-seat showroom that will feature big-name entertainment, a hotel with 192 rooms and seven restaurants.

The Chukchansi Gold Casino & Resort opened in mid-2003. The casino is located off Highway 41 near Picayune Road [Road 417]. The Resort originally had a 52,000 square foot Casino, a 192-room Hotel and seven restaurants. A second wing of hotel rooms has been developed and has been open for over a year. There is valet and self-parking lots with over 1,800 spaces. In addition, as part of the Casino is a Special Event Room of 19,000 square feet.

Bass Lake is a popular regional destination point with numerous cabins and cottage along the north shore of the lake. The lake is most popular for motor boat activities and fishing, and secondarily for sailing. The lake is within Sierra National Forest, and most of the cabins and inns are on land leases. Very little of the land around Bass Lake is owned in fee.

O'Neals does not provide any commercial services. There are a few homes centered around O'Neals.

North Fork has a small downtown area. There are a couple of diners and a couple of gas stations, a market, a few miscellaneous shops and small offices, and one newer complex with commercial shops including a pizzeria and some offices. There are a number of homes on smaller lots in the North Fork area.

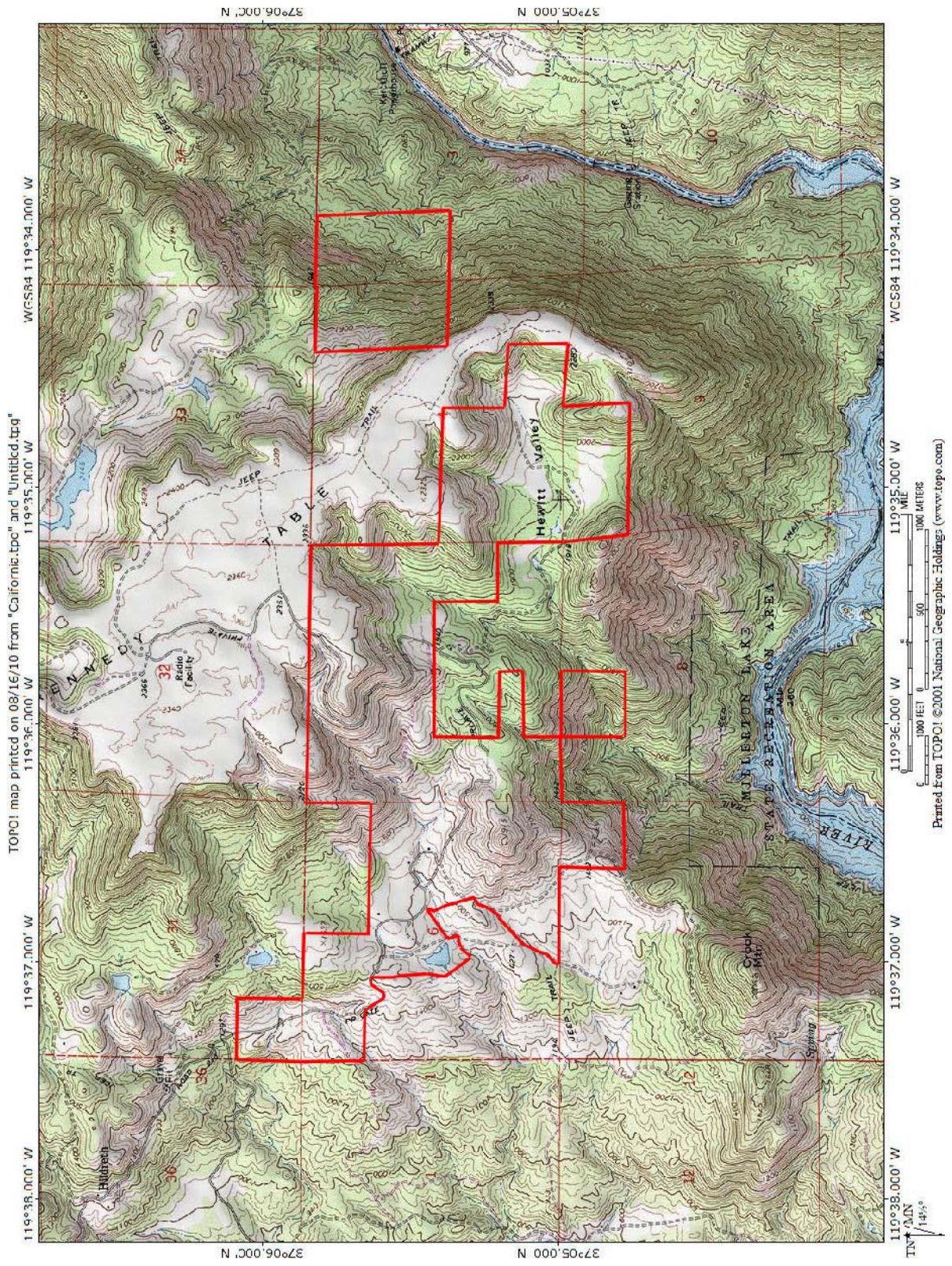
Elevations range from $\pm 1,000$ feet to $\pm 3,300$ feet in the area. The topography in the neighborhood varies from gently-rolling to steep. The vegetation in the area is primarily oak trees and scrub brush, but the terrain varies, some areas have gently rolling hills with oaks, views of the high sierra, and creeks and ponds. Temperatures are typical of the San Joaquin Valley. Daytime during the summer can be hot and it is common for temperatures to reach 100 degrees. However, the evenings always cool down. Winters are mild, with daytime temperatures generally in the 60's. Temperatures at night dip into the 30's and occasionally the 20's. The average rainfall is 24 inches a year. The area receives light snowfalls occasionally in the winter, but the elevation is too low for snow to remain. The area is green with seasonal grasses in the winter and spring, and generally brown in the summer and fall.

Millerton Lake was created by the construction of Friant Dam on the San Joaquin River, which with the lake serves as much of the county line between Fresno County to the south and Madera County to the north. The dam is part of the Central Valley Project and was built by the United States Bureau of Reclamation in 1942. The lake stores water for irrigation, which is distributed by the Madera and Friant-Kern Canals to the San Joaquin Valley. Millerton Lake has a capacity of 520,528 acre feet. Secondary uses of the lake include flood control and recreation, including swimming, fishing, water skiing and camping. A 25 MW hydroelectric plant operated by the Friant Power Authority produces electricity from large releases and two smaller plants use water released for a fish hatchery and to maintain minimum-flow in the river.

The southern end of the subject is approximately $\frac{1}{4}$ mile north of the Millerton Lake Recreation Area, and $\pm \frac{1}{2}$ mile north of San Joaquin River upstream of the lake.

In Summary, the area surrounding the subject is primarily agricultural land, rangeland with some rural residential development. Rural residential parcels in the area of the subject are mostly 40-acres or larger. Recreational uses in the area included hunting, hiking, mountain biking and bird watching.

In summary, the subject is a foothill property located in eastern Madera County.



51-13

B3-010





Easterly (downhill) view of the
east 160-acres



North-northwesterly from the
center area of Section 5



Southeasterly view from the west
side of Section 5



Westerly view from the center
area of Section 5



Westerly view from the middle of
the north end of Section 5



Southeasterly view from the
Adobe House



Easterly view of the Adobe house
(Not Valued in this assignment)



North-northeasterly view of the
main house
(Not valued in this assignment)



Northeasterly view of the property
from south of the main house

Inspection:

Mitch Dunshee and Scot Fipps inspected the subject property in the company of Chuck Peck, Land Protection Director of the Sierra Foothill Conservancy on August 25, 2010. The effective date of value is August 25, 2010, the most recent date of inspection.

Brief Description:

The subject is a ±1,362.09-gross acre Sierra Nevada foothill property. There is a ±1,064 square foot old adobe house with a small detached garage/shed, a ±1,600 square foot house and a ±2,000 square foot hay barn in poor condition. There are two domestic wells and two septic systems.

Location:

The property is located approximately 30 miles east of Fresno and ±three miles northeast of Millerton Lake, in eastern Madera County, California.

Legal Description:

Please refer to the preliminary title report (PTR) in the addendum. Note that the legal descriptions describes a portion of the Topping Ranch that is not being appraised in this assignment because a conservation easement is already in place on this portion of the ranch. Parcel 4 in the PTR is Assessor's Parcel No. 051-130-006, and consists of ±588.83-acres. In this assignment ±320-acres of the ±588.83 acres are being appraised

Assessor's Parcel Numbers: 051-130-003, 006 (portion), 007, 008, and 023

History:

According to Madera County records as available from NDCData and ParcelQuest, the subject has not sold in the last five years. The subject has not been listed for sale recently, to our knowledge.

2009-2010 Assessments and Taxes

Ownership: Bart Topping & Cynthia Topping undivided 43.75% and Jane Topping Trustee undivided 56.25%

PTR **2009-2010 Assessments and Taxes**

Parcel	APN	Acres	Land	Other	Imp.'s	Total	Taxes
2	051-130-003	456.06	\$78,760	\$0	\$0	\$78,760	\$833.46
4	051-130-006	588.83	\$101,690	\$0	\$0	\$101,690	\$1,076.08
3	051-130-008	40.00	\$6,907	\$0	\$0	\$6,907	\$73.08
1	051-130-023	426.03	\$79,695	\$44,472	\$570	\$124,737	\$1,245.88
		1,510.92	\$267,052	\$44,472	\$570	\$312,094	\$3,228.50

PTR **Ownership:** Leonard & Jane Topping Trust

Parcel **2009-2010 Assessments and Taxes**

	APN	Acres	Land	Other	Imp.'s	Total	Taxes
5	051-130-007	120.00	\$20,723	\$0	\$0	\$20,723	\$219.28

PTR Bart Topping & Cynthia Topping undivided 43.75% and Jane Topping Trustee undivided 56.25%

2	051-130-003	456.06	portion
4	051-130-006	320.00	
3	051-130-008	40.00	
1	051-130-023	426.03	
		1,242.09	
Leonard & Jane			
5	Topping Trust	120.00	
		1,362.09	

The 2009-2010 taxes were paid according to the preliminary title report submitted to this office.

Real property taxes in California are based upon 100% of their assessed value. Due to Proposition 13, assessed values have a base year which is the date of last sale, or last major renovation/new construction, or March 1, 1975, the base year lien date. Subsequent to the base year, assessments can only be increased a maximum of 2% per year until the property is sold, substantial new construction occurs, or the use of the property is substantially changed. In such cases, the assessment may be increased (or decreased) to current levels.

Zoning:

According to the County of Madera, the subject is zoned ARE-40. Uses permitted in the AE-40 zoning include intensive agriculture, a single residence per parcel, and outbuildings as necessary for agricultural production. The subject conforms to the zoning designation.

The subject is enrolled in the Williamson Act Agricultural Preservation program. The subject is not encumbered by any other wildlife preservation easements per the title report submitted to our office.

Implied Dedication:

We have made an investigation of the use of the subject property by the public. We have interviewed the subject property owner, Jane Topping, regarding the use of the subject by the public. No significant use of the subject properties by the public is known. We found no indicators of public use on my inspection of the subject properties.

Access:

The subject is a foothill mountain property. County Road 210 comes within a few hundred feet of the northwesternmost corner of the subject Ranch. There is a deeded access easement from Road 210 to the subject. County road 210 is a paved, County maintained 2-land road. Access to the subject is considered good.

Utilities:

No municipal water or sewer service is available in the vicinity of the subject. Electricity and telephone are on the ranch and serve the two existing houses. There is one domestic well and one septic system for each house.

Water:

The subject has a large year-round pond on the western edge of the Ranch. There are three seasonal creeks on the property. Overall, the subject water is good for a native pasture property.

Encumbrances:

A title company preliminary report on the subject property was reviewed, and no significant exclusions to title were presented. The property is appraised as if free and clear of any monetary encumbrances. Typical utility easements are assumed to encumber the property. No encroachments were observed on the subject.

Hazardous Material Sites:

On-site inspection did not reveal any soil staining. We have no knowledge of any contamination. However, in this assignment, the existence, (if any), of potentially hazardous materials on this site has not been considered. These materials may include, (but are not limited to), toxic wastes. The appraiser is not qualified to detect such substances. We urge the client to obtain an expert in this field.

Soils:

The soils are shallow rocky mountain soils.

The subject has rolling areas, some generally level to gently sloping terrain and steep areas of land on the southwest, north and east sides. The subject is just below and east of Kennedy Table. The elevation ranges from ±1,000-to-2,300 feet. The subject has large areas of grasses with two varieties of oak trees, with miscellaneous scrub brush in places.

The property is perimeter fenced with barbwire stock fencing.

Description of Building Improvements:

Note: the buildings were not measured, and the interiors of the houses were not inspected by the appraisers. The contributory value of the building improvements are minor, and are the same before the conservation easement as after the proposed conservation easement is in place. Thus, the building improvements were not valued in this assignment.

There is an old ±1,064-square foot adobe house with a detached garage/shed. There is a ±1,600 square foot three bedroom, one bathroom house. This house is also old and appears to have been enlarged once or twice over the years.

There is a ±2,000 wood hay barn in poor condition with some corrals adjacent.

Conservation Easement:

The conservation easement will prohibit the development of structures on the subject, including residences, on all but three ±5-acre building envelopes. Two of the building envelopes are for the existing houses, and the third is for the existing barn and corrals. The vast majority of development rights on the subject have been extinguished. The subject can continue to be used for livestock grazing and recreational purposes. The easement allows for periodic inspections of the subject to ensure the property is being managed properly. A copy of the Draft Conservation Easement is included in the addenda of this appraisal report.

HIGHEST AND BEST USE ANALYSIS

The definition of Highest and Best Use as taken from The Dictionary of Real Estate Appraisal, (the Appraisal Institute) is:

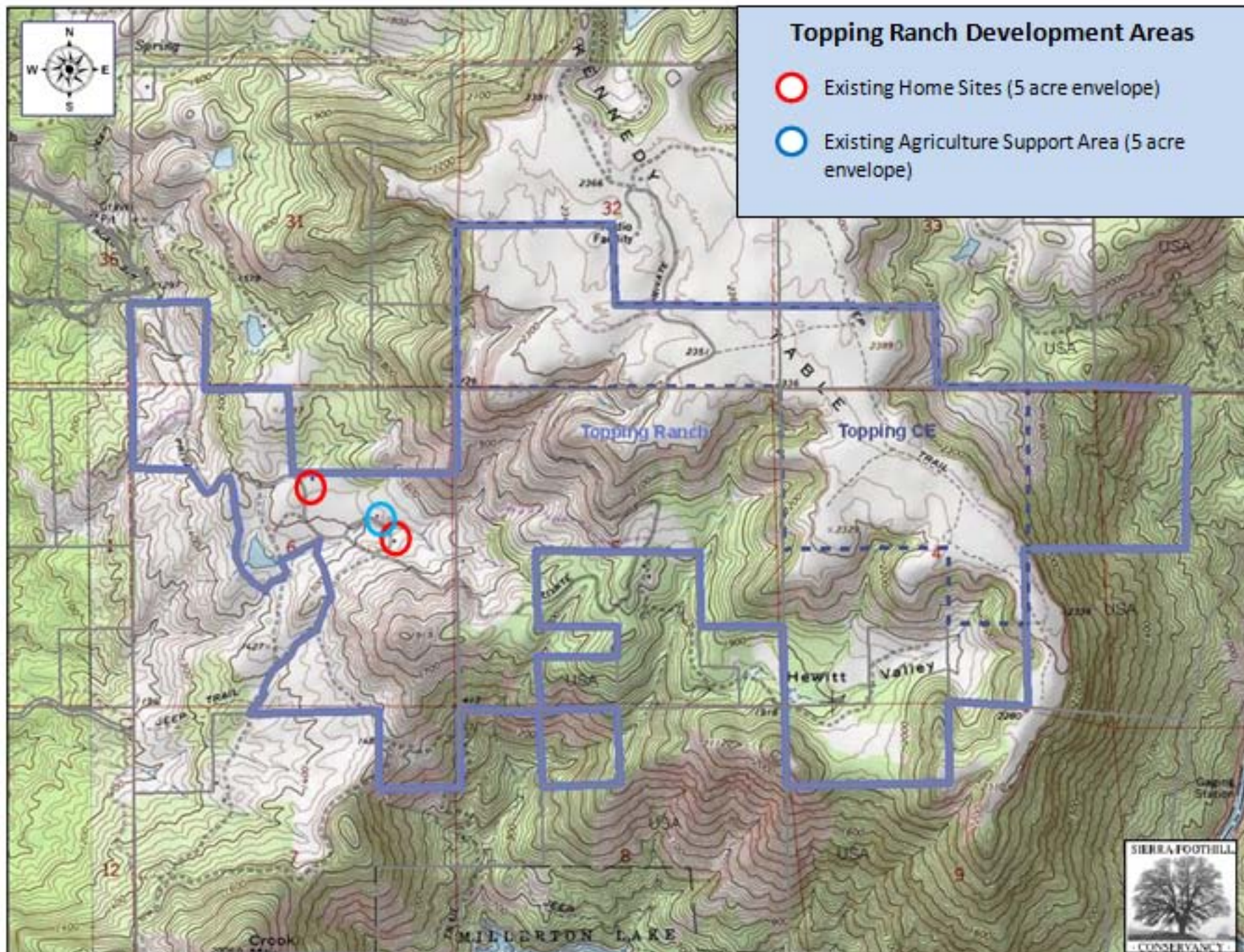
The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

The analysis of the subject's highest and best use will include consideration of what is legally permissible, physically possible, financially feasible, and creates the highest value.

Highest and Best Use As If Vacant

The ±1,362.09-acre subject property is located in a rural foothill area of Madera County. The parcels consist of undeveloped range lands without any municipal services and limited electrical and telephone service. The subject property is legally restricted by Madera County land use restrictions. The subject property is currently designated ARE-40, or exclusive agricultural, with a 40 acre minimum parcel size. Uses allowed include agricultural and single family residential uses. Additionally the subject parcels are enrolled within the agricultural preserve program with Madera County. The Agricultural Preserve restricts property to agriculturally related uses in exchange for reduced county taxes. The above legal restrictions limit the subject to agriculturally related uses and a 40 acre parcel size.

The physical characteristics of the site do substantially limit the potential legal uses of the subject. Access one the ranch is provided by a combination of well maintained dirt roads, and foot trails. These roads are privately maintained. The majority of the ranch does not have road access and is steep. Developing roads is physically possible on these steeper portions of the subject, but would be relatively expensive. There is utility service (electrical and telephone service) available to an area of the western third of the subject, but other portions of the subject are distant from existing facilities. Extension of these utilities is physically possible, but would be relatively expensive. Development of additional single family uses on the subject would require on site wells and septic systems. The subject property is surrounded by a variety of rural residences that also have wells and septic systems. Portions of the steeper sections of the subject on the southwest, north and easterly side of the property may have some difficulty in finding suitable well and/or septic sites, but the portions of the subject with less steep topographies are considered to be likely to be adequate for residential sites.



No financially feasible uses of the subject, or those that would produce net returns to the property owner, can be envisioned for the subject. Agricultural uses are limited due to the topography and soils in the area. Some limited livestock grazing is possible, but grazing rates are generally relatively small (\$12 to \$15/acre-yr). Recreational uses suitable for the property include hunting and limited camping or hiking and also produce relatively small incomes. No significant income generating use is available for the subject.

The highest and best use of the subject is concluded to be for potential rural residential uses in conjunction with grazing and/or recreational uses. My market investigation clearly indicated the majority of sales occurring in this market are for rural residential purposes and the prices paid for these uses exceed the prices being paid for strictly agricultural or recreational purposes. The highest and best use of the subject before the Conservation Easement encumbers the property is for development for rural residential purposes, livestock grazing and recreational purposes.

Highest and Best Use As Improved

The two houses and the barn contribute value above open land value, and should remain. The water supply is sufficient for a residence, for grazing, and for non-intensive recreational use of the land. The highest and best use as if vacant is concluded to be as rural residential, livestock grazing and mountain (Sierra Nevada Foothill) recreational purposes.

Highest and Best Use After the Subject is Encumbered with the Conservation Easement

The highest and best analysis of the subject after the Conservation Easement is in place is similar with the significant exception the subject property is legally prohibited from further subdivision of the property and development of residences or ancillary buildings except within the existing three 5-acre building envelopes. The Conservation Easement states the subject's "development rights appurtenant to the Property are hereby released, terminated and extinguished" except for the three \pm 5-acre building envelopes. The two existing houses and relatively minor development of improvements related to native pasture are allowed after the conservation easement is in place (an area no more than 5 acres can be developed to corrals). The two existing houses can be replaced should they be destroyed by fire or other calamity. The subject, therefore, would lose its potential for further rural residential uses. The subject can continue to be used for native pasture, recreational uses (hiking, camping, hunting, etc.) and related uses. The highest and best of the subject after the Conservation Easement Encumbers the subject is the two existing residences, native pasture and recreational uses.

VALUATION METHODOLOGY

The valuation process is the orderly program in which the data required to value the property is obtained, classified, analyzed and presented. The initial step is defining the valuation problem, i.e., the identification of the real estate, the date of the value estimate, the property rights being valued, and the type of value required. Once this has been performed, the appraiser collects and analyzes the factors that affect the Fair Market Value of the subject property. The factors include regional and area analysis, highest and best use analysis, and the application of the three approaches to value. The three approaches generally utilized to estimate the value of the subject include the Cost Approach, the Income Capitalization Approach and the Sales Comparison Approach.

The Income Approach to value will not be presented in this appraisal due to the lack of comparable rental data from the market. The Sales Comparison Approach to value will be used to value the subject land. The Cost Approach has not been used because the building improvements are not being valued in this assignment.

Sales Comparison Approach

The Sales Comparison Approach is a method of analysis that utilizes prices paid in real estate market transactions, to estimate the value of the subject property. It is the process of correlation and analysis of somewhat similar, recently sold properties. The reliability of this approach is dependent upon the degree of comparability of each property with the subject property, upon the time of the sales, and upon the verification of the sale data.

We researched county assessor's office records, our continuing files, and other real estate professionals for recent comparable sales in the area. The sales were documented by County Assessor records and grant deeds. The sale terms were confirmed with a principal in the transaction or other parties with knowledge of the transaction.

A number of sales and listings have been researched in the process of making this appraisal. We searched in the local vicinity and surrounding area. The subject property is relatively isolated rural residential and/or recreational property. The comparable sales presented were selected after a rather wide search for sales in the general market area. They are considered to be the best sales available. A table of sales, data sheets of the sales, photographs, and comparable sale maps follow.

The sales analysis to value the subject before the conservation easement encumbers the subject will be presented first followed by the sales analysis used to value the subject after the conservation easement is in place.



ADDRESS/LOCATION: Trimmer Springs Rd, W of Pine Flat Lake, Fresno County, CA
ASSESSOR'S PARCEL NUMBER: 153-080-07, 08;; 153-050-05,13,20,23,24,27,54,55; 153-040-32,33

SALE DATA

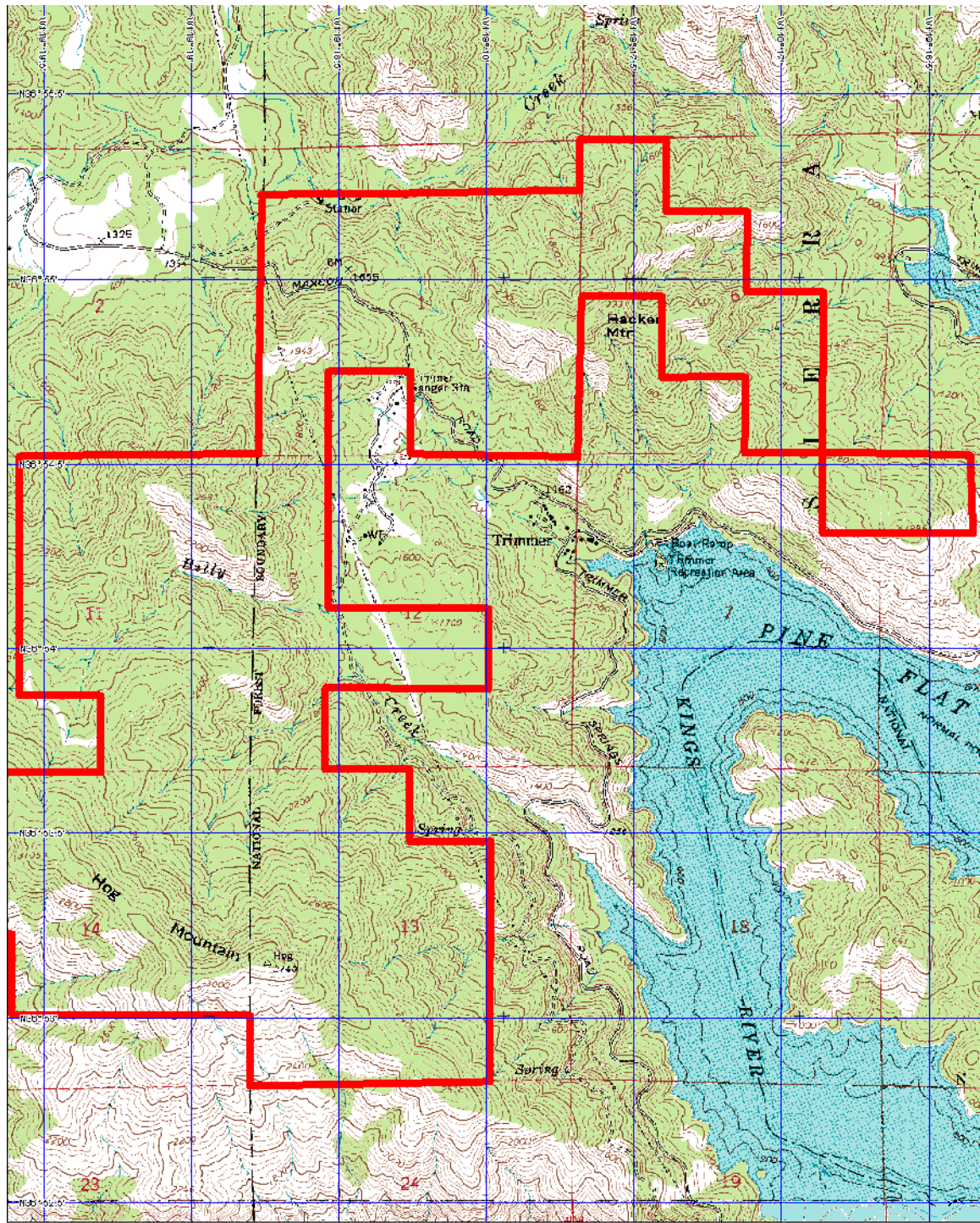
Recorded: 06/13/2007
Document Number: 116012
Grantor: McMurtry Family Trust
Grantee: FRE 402, LLC.
Sale Price: \$2,000,000, cash to sellers
Verified: Jim Watson, Pearson Realty, RE Broker

PROPERTY DESCRIPTION

Acres: 2,197.11 acres
Zoning: AE-40
Topography: Mostly steep and brushy
Water/Sewer: None
Utilities: None
View: Average
Water Feature: Seasonal Creeks
Access: Paved road access

COMMENTS: Sale of 2,197.11 acres of native pasture located just east of Pine Flat Lake in eastern Fresno County. Property is primarily rugged steep brushy land that has limited grazing utility. Property is bisected by several seasonal creek and springs, but no developed stock ponds on site. No building improvements. Some power is extended along Maxon Road, but most of the ranch doesn't have power extended. Buyer purchased as part of a 1031 exchange and intends to use the ranch for recreational purposes.

UNIT PRICE: \$910/acre





ADDRESS/LOCATION: Highway 41, near Coarsegold, Madera County, CA
ASSESSOR'S PARCEL NUMBER: 050-042-43, 45, 46, 47; 050-121-31, 32, 33, 34, 054-342-05

SALE DATA

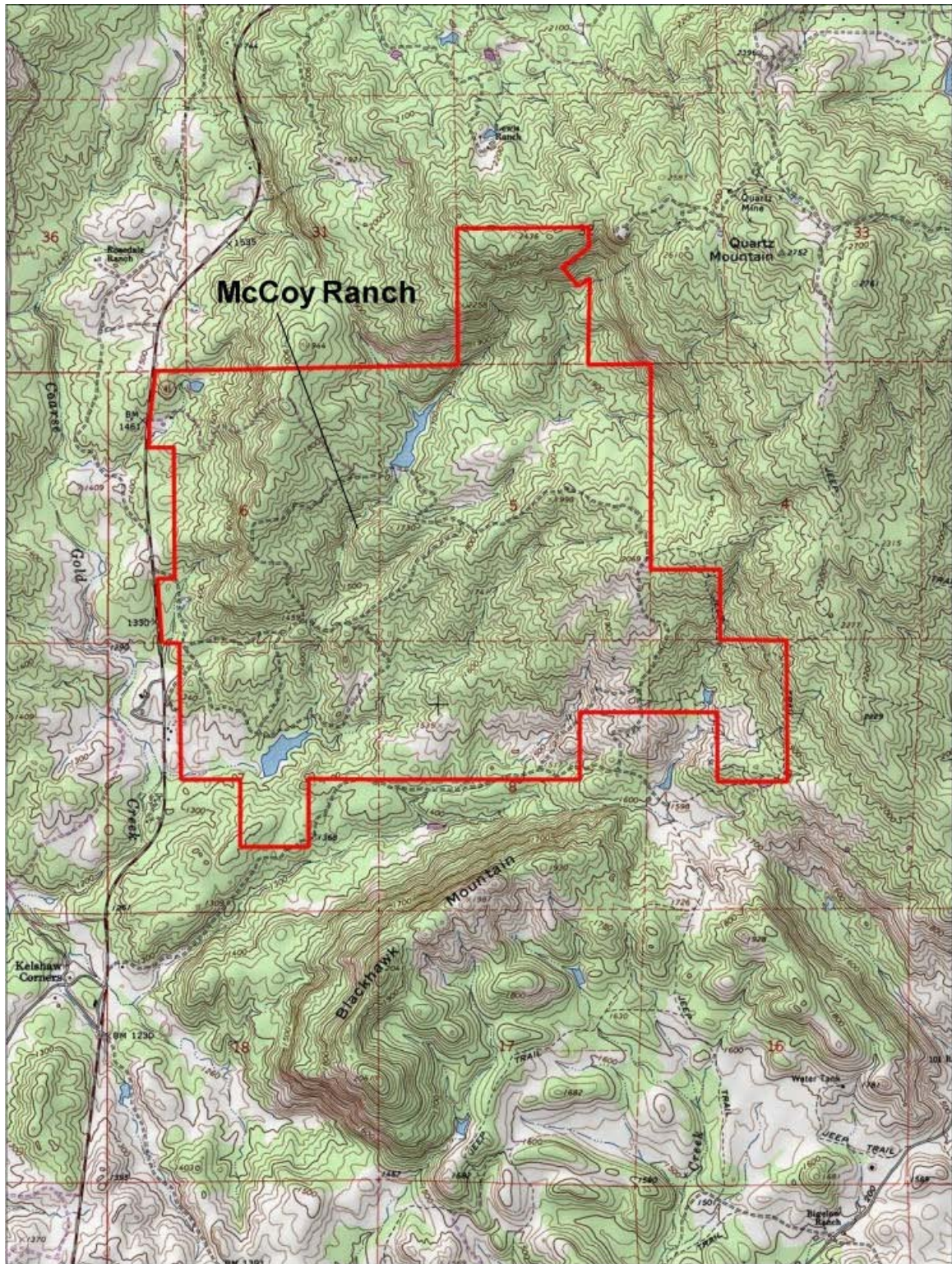
Recorded: 1/30/2008
Document Number: 2827
Grantor: Wallace McCoy
Grantee: Love Ranch, LLC
Sale Price: \$2,650,000, cash to sellers
Verified: Jon Daggett, Pearson Realty, RE Broker

PROPERTY DESCRIPTION

Acres: 2,035.26 acres
Zoning: ARE-40
Topography: Rolling with some steep/brushy areas
Water/Sewer: None
Utilities: Power/Telephone
View: Good
Water Feature: Seasonal Creeks/Stock Ponds
Access: Paved road access, Highway 41

COMMENTS: Sale of 2,035.26 acres of native pasture located south of Coarsegold on the east side of Highway 41. Property is primarily rolling to moderately steep with some areas of rugged steep brushy land. The ranch has been used for native pasture for cattle in the past. Seller developed a 20 acre wine grape vineyard, but had little or no contributing value to the sale price. The property also improved with a 2,824 SF residence and associated garage/tack room. The building improvements were allocated \$175,000 to the purchase price. The seller was reported to be anxious to sell the property and the price was reported as being below market prices at the time of sale. The ranch was listed for sale for \$3,500 per acre, before selling.

UNIT PRICE: \$1,216/acre, after adjusting for the building improvements



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ADDRESS/LOCATION: ±6 miles south-southeast of North Fork, off Road 225 above the San Joaquin River and Redinger Lake, Madera County, CA

ASSESSOR'S PARCEL NUMBER: 060-442-003

SALE DATA

Recorded:	04/16/2010
Document Number:	010960
Grantor:	Kecia Golay
Grantee:	Mohamed Masad
Sale Price:	\$100,000, cash to seller
Verified:	Mohamed Masad, Care Plus Insurance 559-431-0511

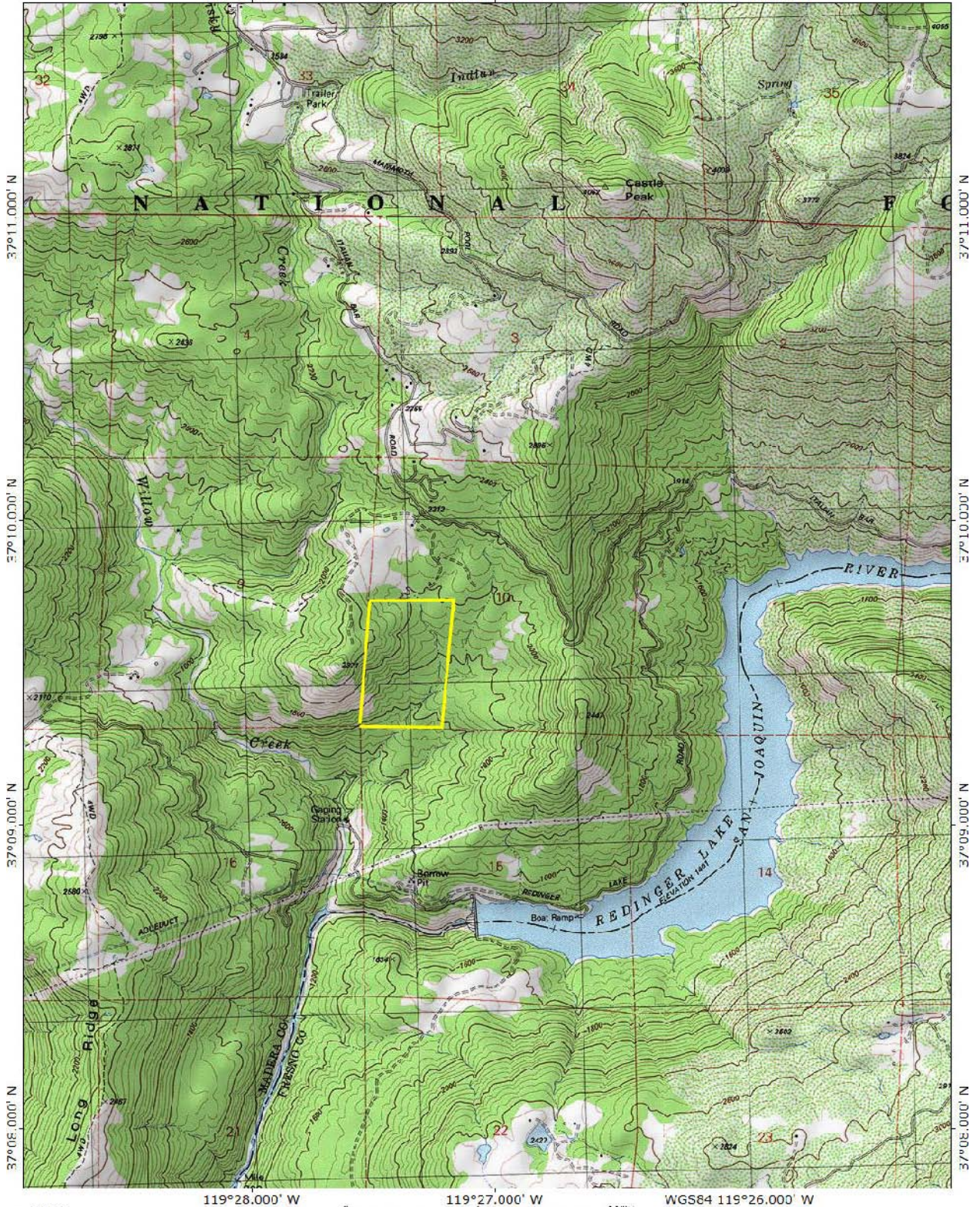
PROPERTY DESCRIPTION

Acres:	116.70 acres
Zoning	ARE-40, within the Ag Preserve
Topography:	Varies from rolling to steep/brushy
Water/Sewer:	None
Utilities:	Power/Telephone located near the east line of the property
View:	Very good on the southern portion
Water Feature:	No spring or seasonal creeks
Access:	Dirt road easement access ± ½ mile from paved Road 225

COMMENTS: Sale of 116.70 acres of native pasture or rural residential land located south of North Fork and just northwest of Redinger Lake, in eastern Madera County. Property has rolling to steep topography and is in an area used predominately for rural residential but could be leased for native pasture. The property has a panoramic view of the San Joaquin River below Redinger Lake.

UNIT PRICE: \$857/acre

TOPOI map printed on 08/23/10 from "California.tpo" and "Untitled.tpg"
119°28.000' W 119°27.000' W WGS84 119°26.000' W



TN/MN
14 1/2

119°28.000' W 119°27.000' W WGS84 119°26.000' W
0 1000 FEET 0 500 1000 METERS
Printed from TOPOI! ©2001 National Geographic Holdings (www.topo.com)



ADDRESS/LOCATION: Watts Valley Road, Fresno County, CA
ASSESSOR'S PARCEL NUMBER: 153-070-20, 32, 33

SALE DATA

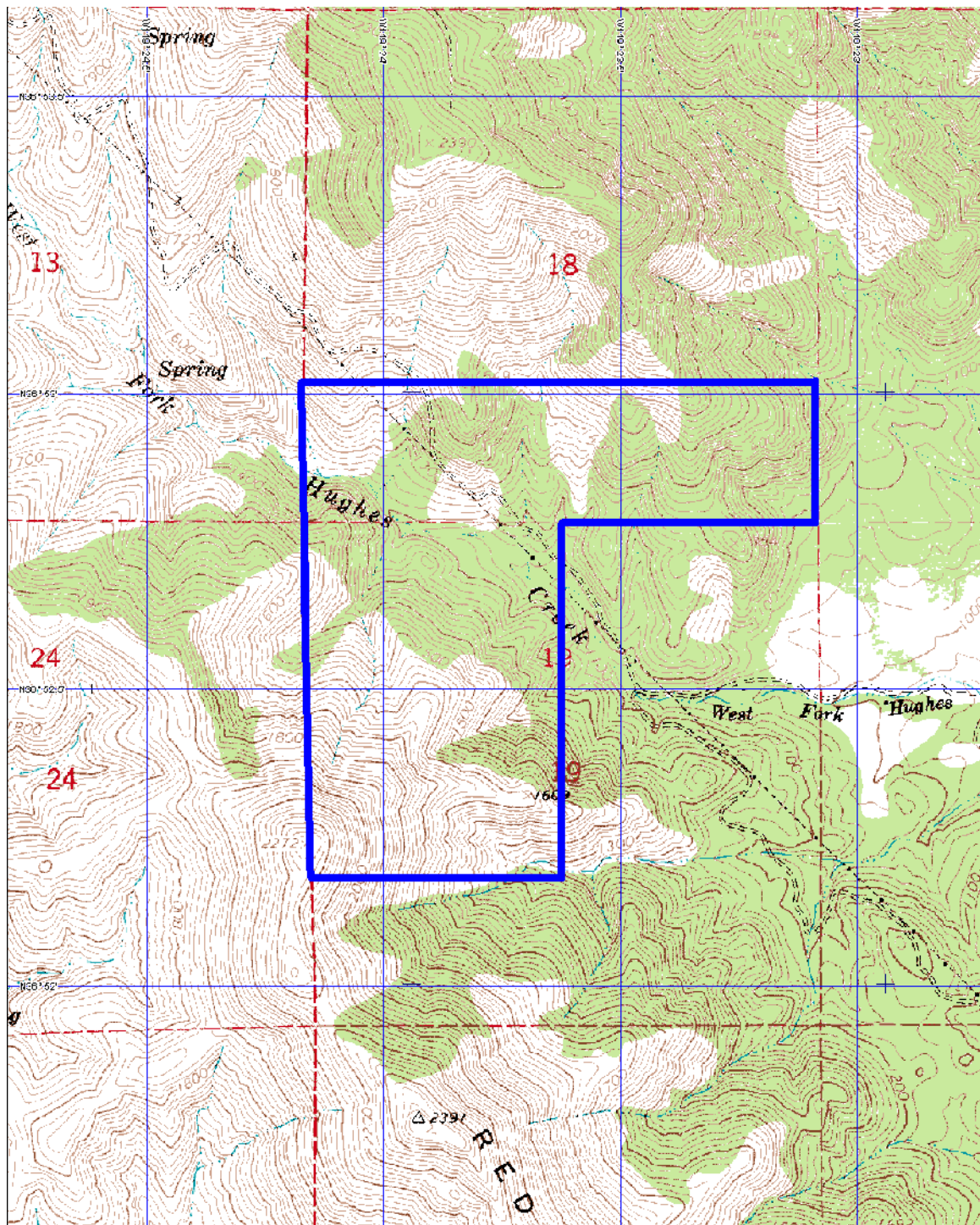
Recorded: 9/19/2008
Document Number: 134366
Grantor: Gary Weyand, et. al.
Grantee: Emily Danielle Sharpe
Sale Price: \$738,000
Verified: Don Becker, RE Broker, Pearson RE

PROPERTY DESCRIPTION

Acres: 410 acres
Zoning AE-40; Ag Preserve
Topography: Primarily steep
Water/Sewer: None
Utilities: Power is within ½ mile
View: Average
Water Feature: Small creek
Access: Primitive Dirt Road (4 wheel)

COMMENTS: The sale of 410 acres of isolated and steep native pasture located 2.5 miles south of Watts Valley Road. Access provided by a rough dirt road some 2.5 miles off of Watts Valley Rd. Property has steep topography. Power reported to be within ½ mile.

UNIT PRICE: \$1,800/acre



3-D TopoQuads Copyright © 1999 DeLorme, Yarmouth, ME 04096 Source Data: USGS 450 ft Scale: 1:16,000 Contour: 13-6 Datum: NAD83



ADDRESS/LOCATION: North side of Hildreth Mountain, SE of O'Neals, Madera County, CA
ASSESSOR'S PARCEL NUMBER: 050-212-020

SALE DATA

Recorded: 04/27/2010
Document Number: 013487
Grantor: Debora Cooper
Grantee: Oak Crest Ranch, L.P.
Sale Price: \$151,500
Verified: Bill Tilden, owner, 619-886-0118

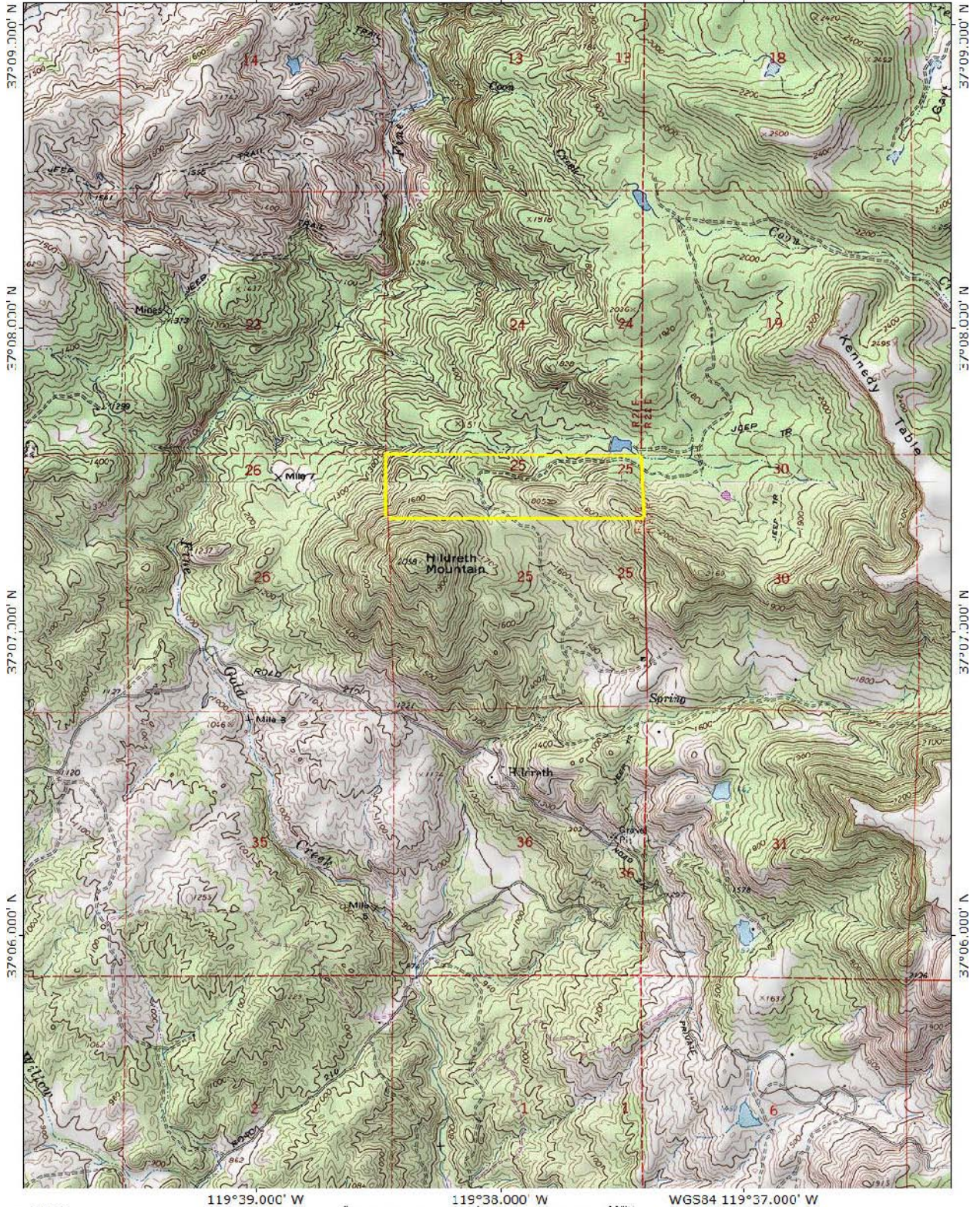
PROPERTY DESCRIPTION

Acres: 160 acres
Zoning: ARE-40; Ag Preserve
Topography: Rolling-to-steep
Water/Sewer: No developed wells; no septic systems developed on site
Utilities: No power is located near the property
View: Good from upper areas
Water Feature: One spring
Access: Dirt road ($\pm 3/4$ of a mile from Road 210)

COMMENTS: Sale of native pasture land located just northwest of the subject. The buyer reported that the seller was behind on her property taxes and needed to sell the property. The buyer also reported that her access to the property was imperfect. The buyer owns the land to the west, north and east of this property. The buyers purchased as native pasture.

UNIT PRICE: \$947/acre

TOPO! map printed on 08/23/10 from "California.tpo" and "Untitled.tpg"
119°39.000' W 119°38.000' W WGS84 119°37.000' W



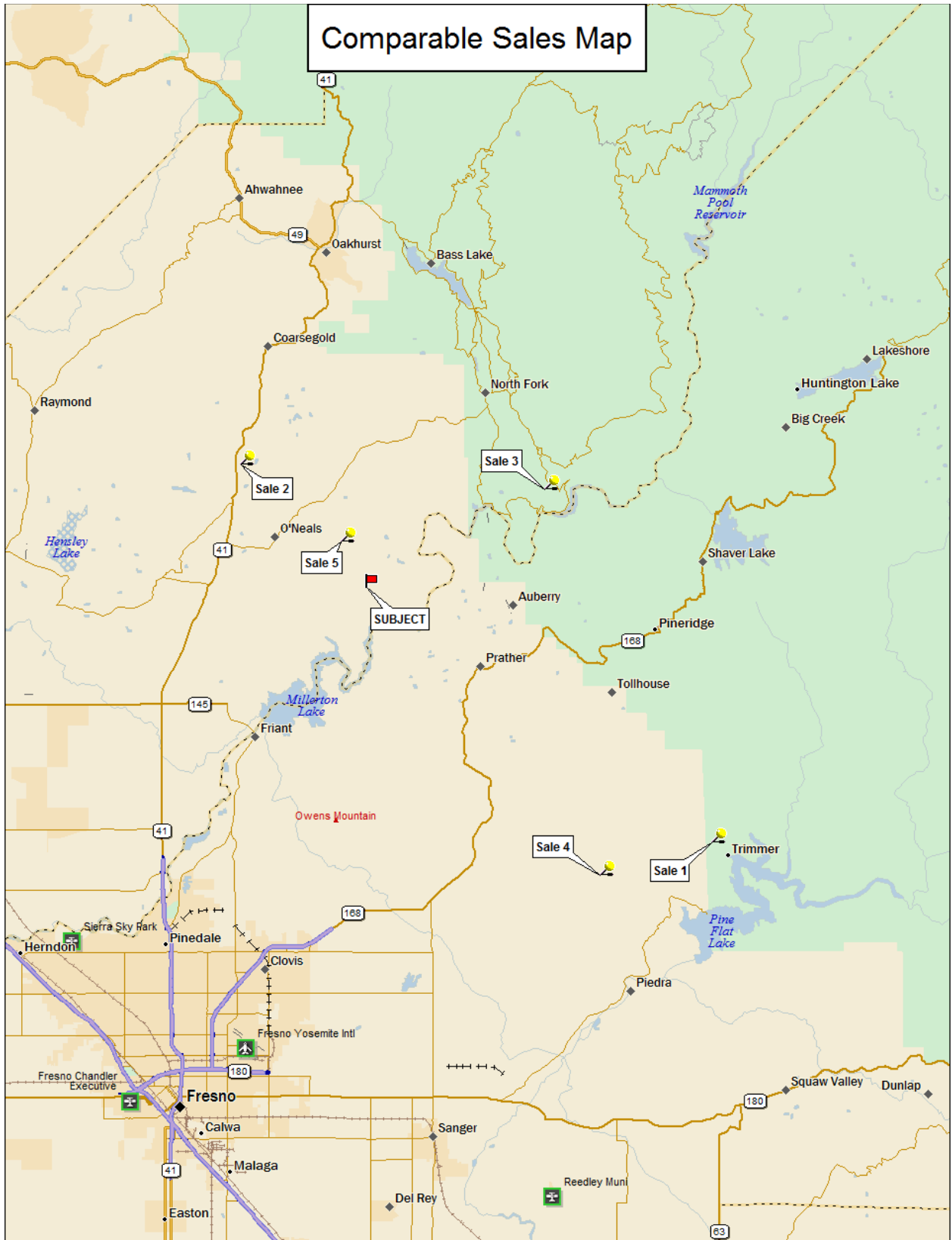
TN/MN
14 1/2"

119°39.000' W 119°38.000' W WGS84 119°37.000' W

0 1000 FEET 0 500 1000 METERS

Printed from TOPO! ©2001 National Geographic Holdings (www.topo.com)

Comparable Sales Map



DELOME

Data use subject to license.

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www.delorme.com

★
MN (13.6° E)

0 2 4 6 8 10 mi
Data Zoom 9-0

Sales Adjustment Analysis

Finance

The value definition used in this assignment cites a cash value or its reasonable equivalent. Therefore, any sales involving seller financing concluded to be significantly different from current market rates should be analyzed.

All sales are cash or cash equivalent and do not require an adjustment.

Conditions of Sale

The value definition used in this assignment assumes neither buyer nor seller is abnormally motivated to purchase or sell. Any sales considered having occurred under conditions other than typical market conditions should therefore be adjusted.

Comparable sales 1, 3 and 4, are considered “arms length” transactions and are not adjusted for conditions of sale. Sale 2 and Sale 5 are reported to have involved sellers who were excessively motivated the sell the property and sold below market prices at the time. Sales 2 and 5 conditions of sale are inferior to market conditions of sale.

Market Conditions (Time)

The market conditions at the time of sale can be significantly different from the market conditions at the date of value. When the market conditions have changed significantly an adjustment is appropriate.

The sales occurred from January 2008 through April 2010. Analysis of the sales data suggests a downward trend in prices since late 2007/early 2008. No matched pair of sales is available to extract a market derived adjustment. Given the available data we consider sales 1 and 2 to have occurred under superior market conditions, and sales 3, 4 and 5 to have occurred under market conditions similar to the subject.

Size

Typically, the size of a property is an important consideration if it varies substantially from the subject. Larger properties generally sell for greater amounts of money than smaller similar properties. The greater price restricts the number of buyers able to afford the property and therefore the demand. The subject is ±1,362.09-acres.

Sale 1 and 2 are larger than (inferior to) the subject. Sales 3, 4 and 5 are considered significantly smaller than (superior to) the subject

Zoning/Land Use Designation

The subject is zoned ARE-40, exclusive agricultural uses with a 40 acre minimum parcel size, is also identified in the Sierra North Regional Plan for Eastside Rangeland uses, which calls for similar uses and a minimum parcel size of 40 acres and is enrolled within the Williamson Act.

All of the sales are considered to have similar designations.

Utilities

Power and telephone lines are on the western portion of the subject.

Sales 1 and 2 are similar to the subject. Sales 3, 4 and 5 would require extension of power and telephone lines, and are inferior to the subject.

Access

The subject property has essentially paved access to the property, (there is a deeded easement across a couple of hundred feet from Road 210 to the subject gate). Sales 1 and 2 are similar to the subject. Sales 3, 4 and 5 would require extension of power and telephone lines, and are inferior to the subject.

Physical Features/Topography

The property under appraisal has rolling-to-steep topography. Portions of the southeasterly sections of the subject are relatively steep and would be difficult to develop to rural residential uses. However, the property does have several areas that are adequate for building sites with very good views.

Sale 1 has steeper (inferior) topography, making development more difficult, although the views from this property are comparable to the subject. Sale 2 has topography considered similar to the subject. Sale 3 has good building areas and an excellent view of the San Joaquin River, and is considered similar to the subject. Sale 4 has steeper (inferior) topography making development more expensive. Sale 5 has similar topography, although the views from this property are not as good as some subject views.

Water Features

The subject has a year round pond and several seasonal creeks on site, which are common to foothill properties. All of the sales are considered to be similar and are not adjusted.

Location

The subject is located southeast of O'Neals, and is within 30 to 45 minutes of driving time to most parts of Fresno. Sale 3 is more remotely located, takes significantly longer to get to, and is considered to be inferior to the subject. The rest of the sales have similar locations as the subject and are not adjusted for this factor of comparison.

Comparable Sales Summary Chart							
Sale	Subject	1	2	3	4	5	
Grantee	051-130-003 Kennedy Table	FRE 402, LLC	Love Ranch, LLC	Mohamed Masad	Emily Sharp	Oak Crest Ranch	
Sale Date		June-07	January-08	April-10	September-08	April-09	
APN		153-080-07+	050-042-043	060-442-003	153-070-20+	050-212-020	
Location		E of Pine Flat Lake	Hwy 41	Near Redinger Lake	Near Wildcat Mtn	Hildreth Mtn	
Sales Price		N/A	\$2,000,000	\$2,650,000	\$100,000	\$738,000	\$151,500
Size (acres)		1,362.09	2,197.11	2,035.26	116.70	410.00	160.00
Imp's		None	\$0	\$175,000	\$0	\$0	\$0
Adjusted Price		N/A	\$2,000,000	\$2,475,000	\$100,000	\$738,000	\$151,500
Price/Acre		N/A	\$910	\$1,216	\$857	\$1,800	\$947
Zoning		ARE-40	AE-40	ARE-40	POS	AE-40	ARE-40
Topo	Rolling/Steep	Steep	Rolling/Steep	Rolling/Steep	Rolling/Steep	Rolling/Steep	
Access	Paved Road	Paved	Paved	Dirt	Rough Dirt	Rough Dirt	
Utilities	Yes	Yes	Yes	No	No	No	
Water Feature	Seasonal Crks	Seasonal Crks	Seasonal Crks/Stk. Ponds	Seasonal Crk	Hughes Creek	Seasonal Creeks	
Comparisons							
Financing	cash/equivalent	similar	similar	similar	similar	similar	
Conditions of Sale	typical	typical	distressed seller	typical	typical	distressed seller	
Date		superior	superior	similar	similar	similar	
Size	1,362.09	larger	larger	smaller	smaller	smaller	
Zoning	ARE-40	similar	similar	similar	similar	similar	
Utilities	Yes	similar	similar	inferior	inferior	inferior	
Access	Paved Road	similar	similar	inferior	inferior	inferior	
Topo	Rolling/Steep	inferior	similar	similar	inferior	similar	
Water Feature	Seasonal Crks	similar	similar	similar	similar	similar	
Location	Average	similar	similar	inferior	similar	similar	
Net Adjustment		Inferior	Superior	Inferior	Superior	Inferior	

VALUE CONCLUSION BEFORE

The above adjustments are summarized on the following chart. The various adjustments are cataloged as "inferior", upward, "superior" downward, or "similar", no adjustments. The "inferior" and "superior" categories reflect the direction of the adjustment, not the dollar amount of adjustment. It is important to note that an "inferior" does not necessarily equal another "inferior" or cancel out a "superior". Specific percentages or dollar adjustments are not estimated. The sale data did not lend itself to a matched pair analysis to substantiate specific adjustments. Rather than present a series of individual adjustments based upon judgment, it is considered reasonable to present the data and the direction of the individual adjustment, conclude the net effect of the adjustment and from the resulting range, conclude a value for the subject.

The market data analyzed reflected an unadjusted range in price from \$857 to \$1,800 per acre. Sales 1, 3 and 5 were concluded to be inferior overall to the subject, indicating lower limits of value. These sales were sold on the basis of \$857 to \$947 per acre. Sales 2 and 4 were concluded to be superior to the subject, and indicated upper limits of value at \$1,216 to \$1,800 per acre.

Sales 1, 2 and 5 are the most similar to the subject. Sale 5 is located very close to the subject, and had a distressed seller. This indicates a value range for the subject at the upper end of \$947 to \$1,216 per acre.

Based upon the above it is our opinion the subject property's fee simple title as of August 25, 2010, is \$1,100 per acre, or

\$1,100/acre x 1,362.09 acres =	\$1,498,299
Rounded	\$1,500,000

Valuation After the Conservation Easement

The valuation of the subject after the conservation easement is in place will now be presented. To arrive at this value we have primarily relied upon the Sales Comparison Approach to value. We have done a search for recent conservation easements in the area of the subject. We have also searched for sales of similar lands encumbered with similar conservation easements in the area of the subject. Only one of similar lands encumbered with conservation easements were found in the surrounding area of the subject. However, this sale involved a 60 acre parcel that is much smaller than the subject, and is not considered to be very comparable to the subject due to its smaller size. It is presented but additional sales were considered to be necessary.

We did however find sales of similar grazing lands encumbered with conservation easements located outside of the general area. These sales are discussed below. In addition to these sales, we have considered sales of similar grazing lands located in more remote locations but without conservation easements as aids in valuing the subject property after being encumbered by the proposed conservation easement.



ADDRESS/LOCATION: Near Anderson, SE of Redding, Shasta County, CA

ASSESSOR'S PARCEL NUMBER: 57-190-01;57-240-38,39; 57-230-03; 57-260-07,11; 57-290-11;
57-300-09

SALE DATA

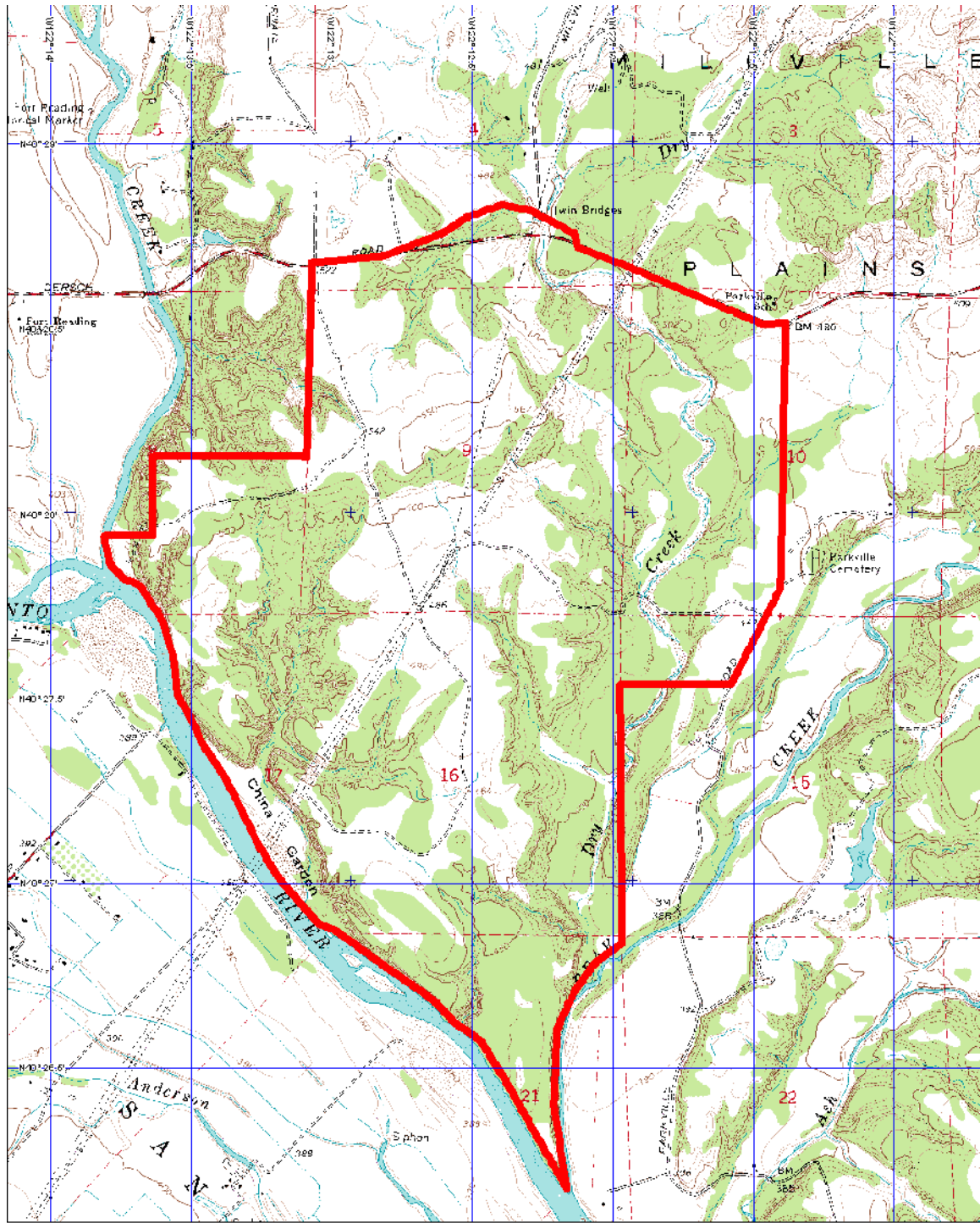
Recorded:	12/30/2002
Document Number:	68046
Grantor:	Fenwood Partners, et al.
Grantee:	Rickert Agricultural Services
Sale Price:	\$535,000, cash to sellers
Verified:	With the buyer

PROPERTY DESCRIPTION

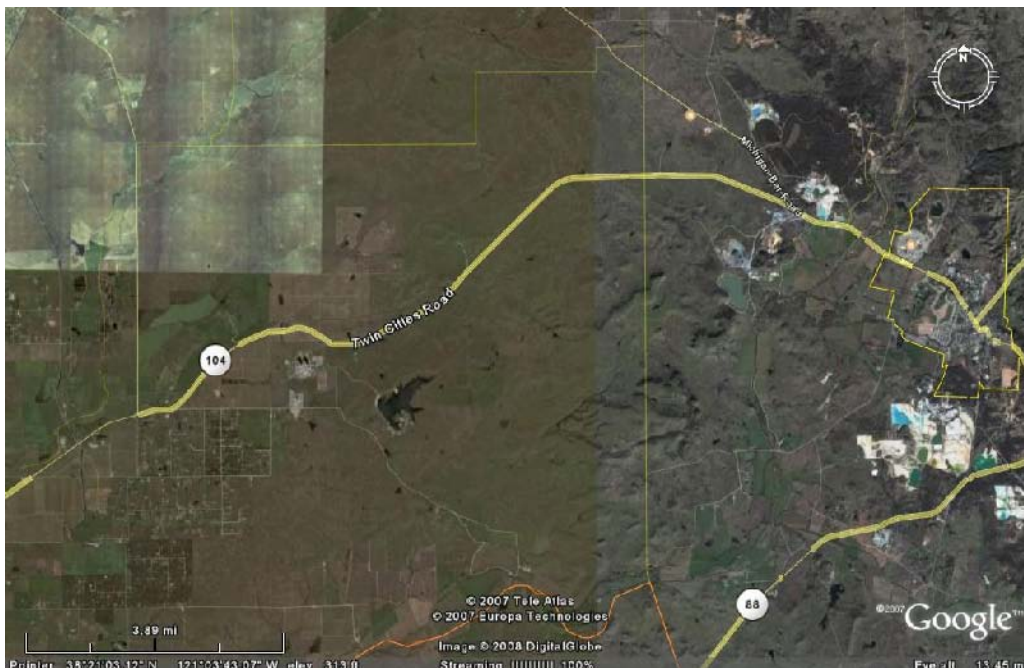
Acres:	2,261.48 acres
Zoning	Ag
Topography:	Mostly rolling razing lands
Water/Sewer:	None
Utilities:	Yes
View:	Average
Water Feature:	Sacramento River and Seasonal Creeks
Access:	Paved road access

COMMENTS: Sale of 2,261.48 acres of native pasture located southeast of Redding. Property is adjacent to the Sacramento River and has several year around creeks. Sellers had done considerable work to change zoning, but was not complete at the time of sale. Property had been on the market fro \$2,500,000 prior to sale. A conservation easement was placed on the sale property in March of 2002. At the time of the easement the sale property's unencumbered value had been appraised for \$2,000,000 (\$892/acre). The sale property involves the lands encumbered by the conservation easement and another +/- 20 acres. The 20 acres were added for additional \$10,000. 2 building sites on 40 acres reserved on the property.

UNIT PRICE: \$237/acre



3-D TopoQuads Copyright © 1999 DeLorme, Yarmouth, ME 04096 Source Data: USGS 750 ft Scale: 1 : 25,000 Detail: 1:50 Datum: NAD83



ADDRESS/LOCATION: Southeast of Sacramento, near Lone, Sacramento County, CA
ASSESSOR'S PARCEL NUMBER: 140-0020-002,003,004,006,007,008,013,014,015,019;
 140-0040-001, 002, 003,004,005,006;
 140-0060-001,002,003,004,005,006,007
 154-0120-002,005,010

SALE DATA

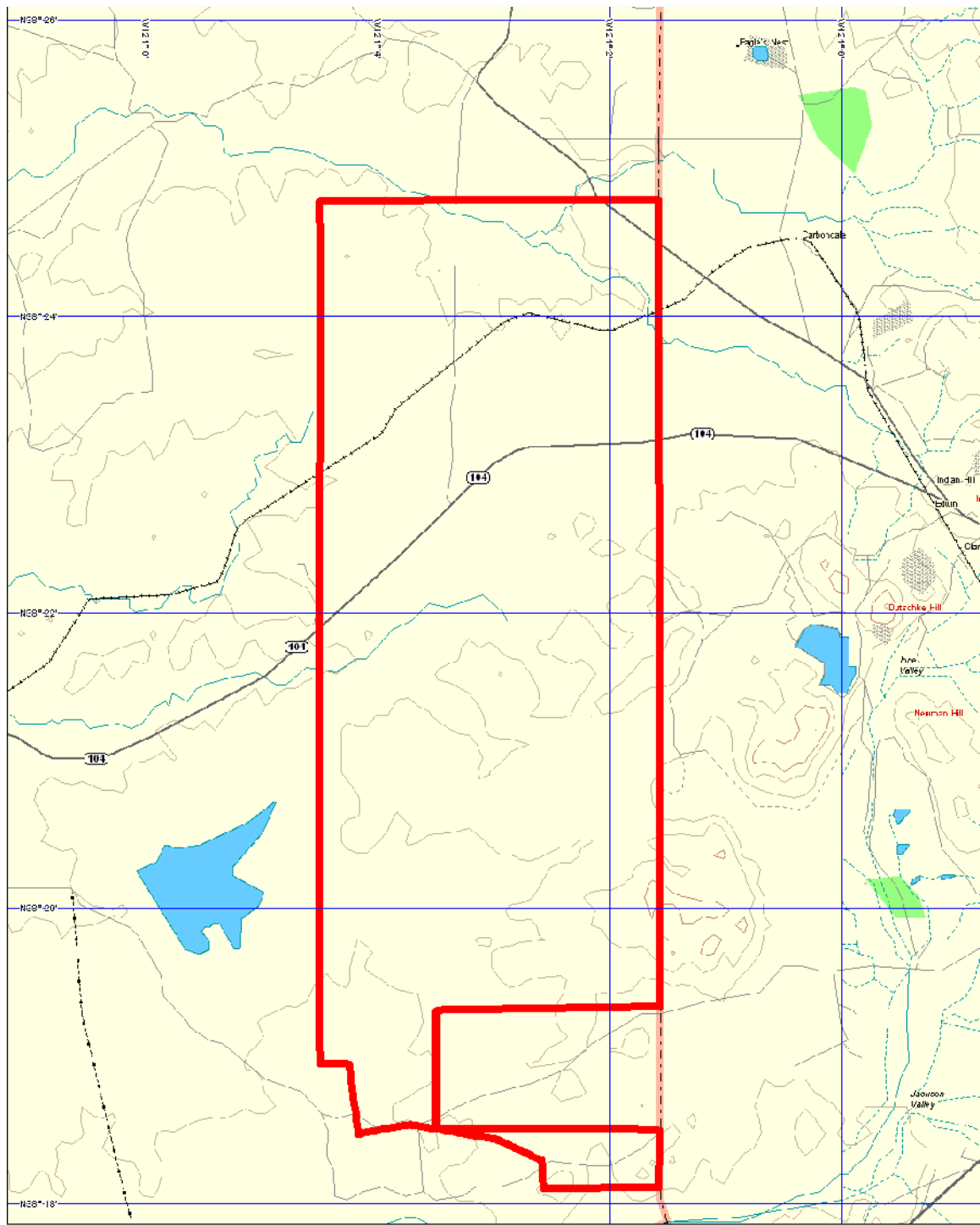
Recorded: 10/1/2002
Document Number: Bk 20021001/pg2245
Grantor: The Nature Conservancy.
Grantee: James and Judith Chance
Sale Price: \$3,783,890, trade
Verified: Steve Runyan, ARA

PROPERTY DESCRIPTION

Acres: 12,988.79 acres
Zoning: Ag – 80
Topography: Mostly rolling razing lands
Water/Sewer: None
Utilities: Yes
View: Average
Water Feature: Seasonal Creeks
Access: Paved road access

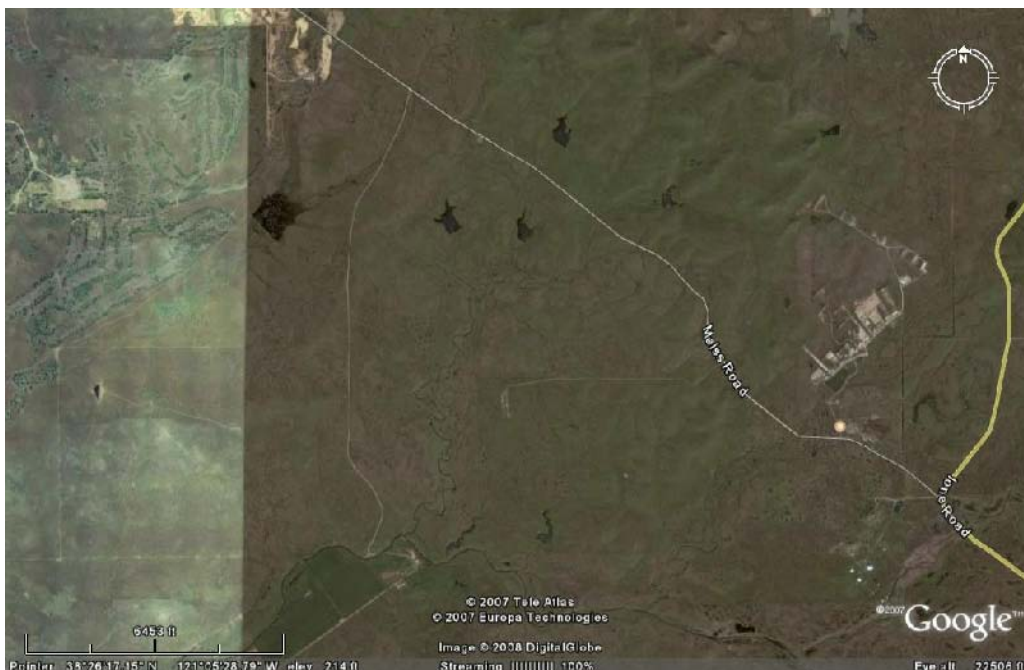
COMMENTS: Sale of 12,988.79 acres of native pasture located southeast of Sacramento. Property has several seasonal creeks. The Nature Conservancy acquired the property in 1999 for \$13,598,500 (\$1,047/acre). This sale sold with a conservation easement in place that allows three 5 acre home sites. The sale indicates the conservation easement reduced the value of the unencumbered property some 72.2%.

UNIT PRICE: \$291/acre



3-D TopoQuads Copyright © 1999 DeLorme Yarmouth, ME 04096

1500 ft Scale: 1 : 62,500 Detail: 11.6 Datum: NAD83



ADDRESS/LOCATION: Southeast of Sacramento, near Sloughouse, Sacramento County, CA

ASSESSOR'S PARCEL NUMBER: 128-0090-045; 128-0100-053

SALE DATA

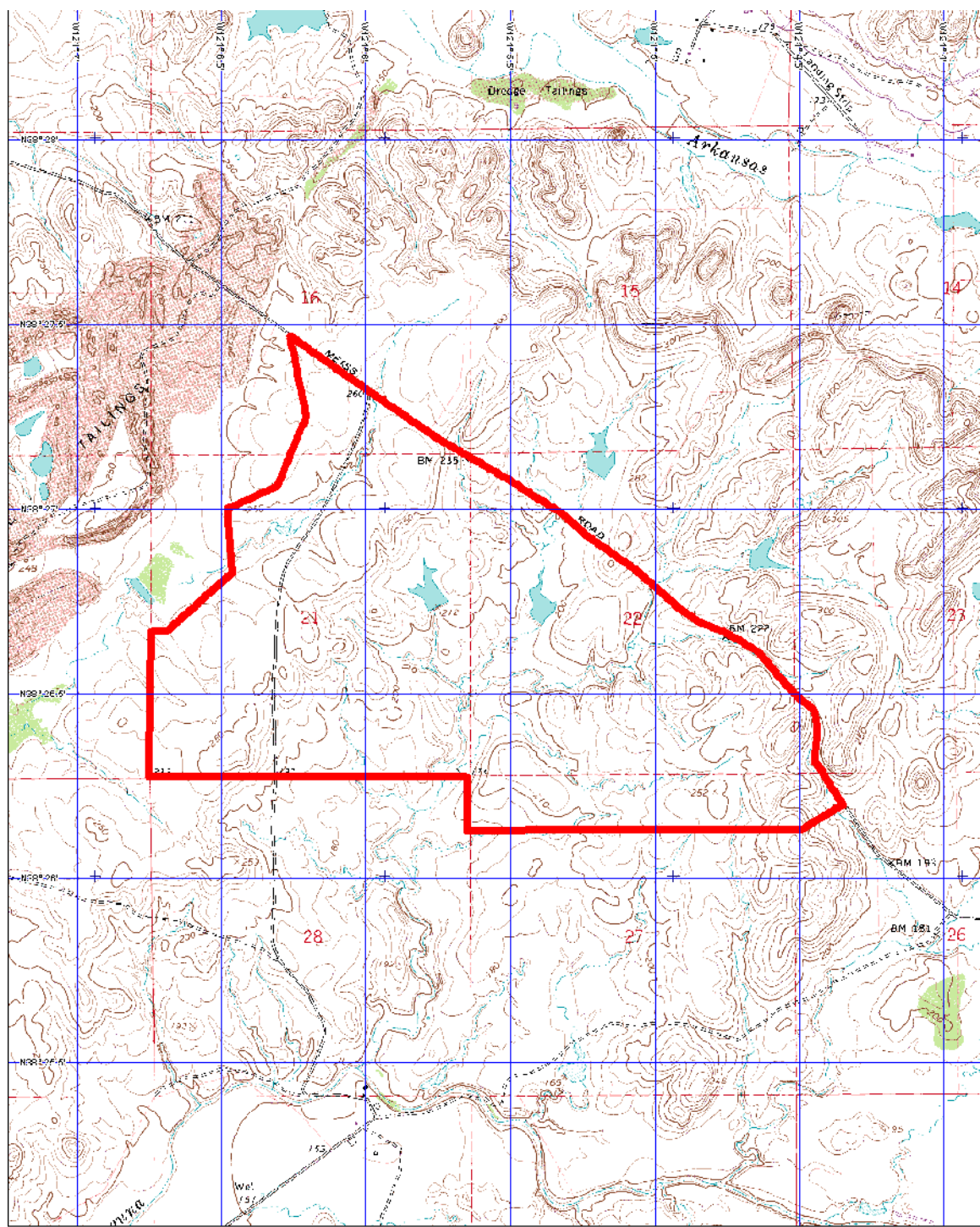
Recorded: 9/26/2002
Document Number: Bk 20020926/pg2248
Grantor: The Nature Conservancy.
Grantee: JP Curran Property Meiss, LLC
Sale Price: \$455,000
Verified: Steve Runyan, ARA

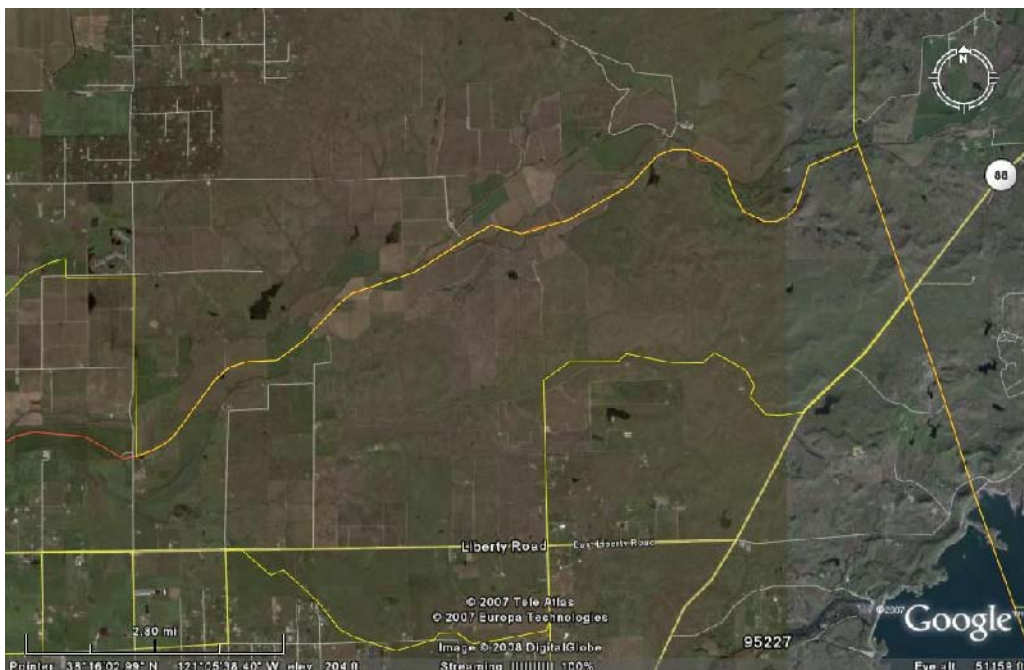
PROPERTY DESCRIPTION

Acres: 1,139.78 acres
Zoning: Ag – 80
Topography: Mostly rolling razing lands
Water/Sewer: None
Utilities: Yes
View: Average
Water Feature: Seasonal Creeks
Access: Paved road access

COMMENTS: Sale of 1,139.78 acres of native pasture located southeast of Sacramento. Property has several seasonal creeks. The Nature Conservancy acquired the property in 2000 for \$1,818,448 (\$1,595/acre). This sale sold with a conservation easement in place. The sale indicates the conservation easement reduced the value of the unencumbered property some 75%.

UNIT PRICE: \$399/acre





ADDRESS/LOCATION: Northeast of Lodi, near Clements, San Joaquin County, CA

ASSESSOR'S PARCEL NUMBER: 009-190-25;009-200-04; 009-210-01;009-220-02,03;009-250-05;
009-260-04,06

SALE DATA

Recorded:	8/4/2003
Document Number:	173563
Grantor:	Jerome Forster, et. al.
Grantee:	James and Judith Chance
Sale Price:	\$1,297,500
Verified:	Steve Runyan, ARA

PROPERTY DESCRIPTION

Acres:	2,866.17 acres
Zoning	Ag – 80
Topography:	Mostly rolling razing lands
Water/Sewer:	None
Utilities:	Yes
View:	Average
Water Feature:	Seasonal Creeks
Access:	Paved road access

COMMENTS: Sale of 2,866.17 acres of native pasture located northeast of Lodi. Property has several seasonal creeks. The sellers sold a conservation easement to the Nature Conservancy at the same time of this sale for \$3,000,000 (\$1,047/acre). The conservation easement allows one 10 acre residential site. The sale indicates the conservation easement reduced the value of the unencumbered property some 70%.

UNIT PRICE: \$453/acre



ADDRESS/LOCATION: NW of Tollhouse, on the north slope of Black Mtn., Fresno County, CA

ASSESSOR'S PARCEL NUMBER: 128-790-37

SALE DATA

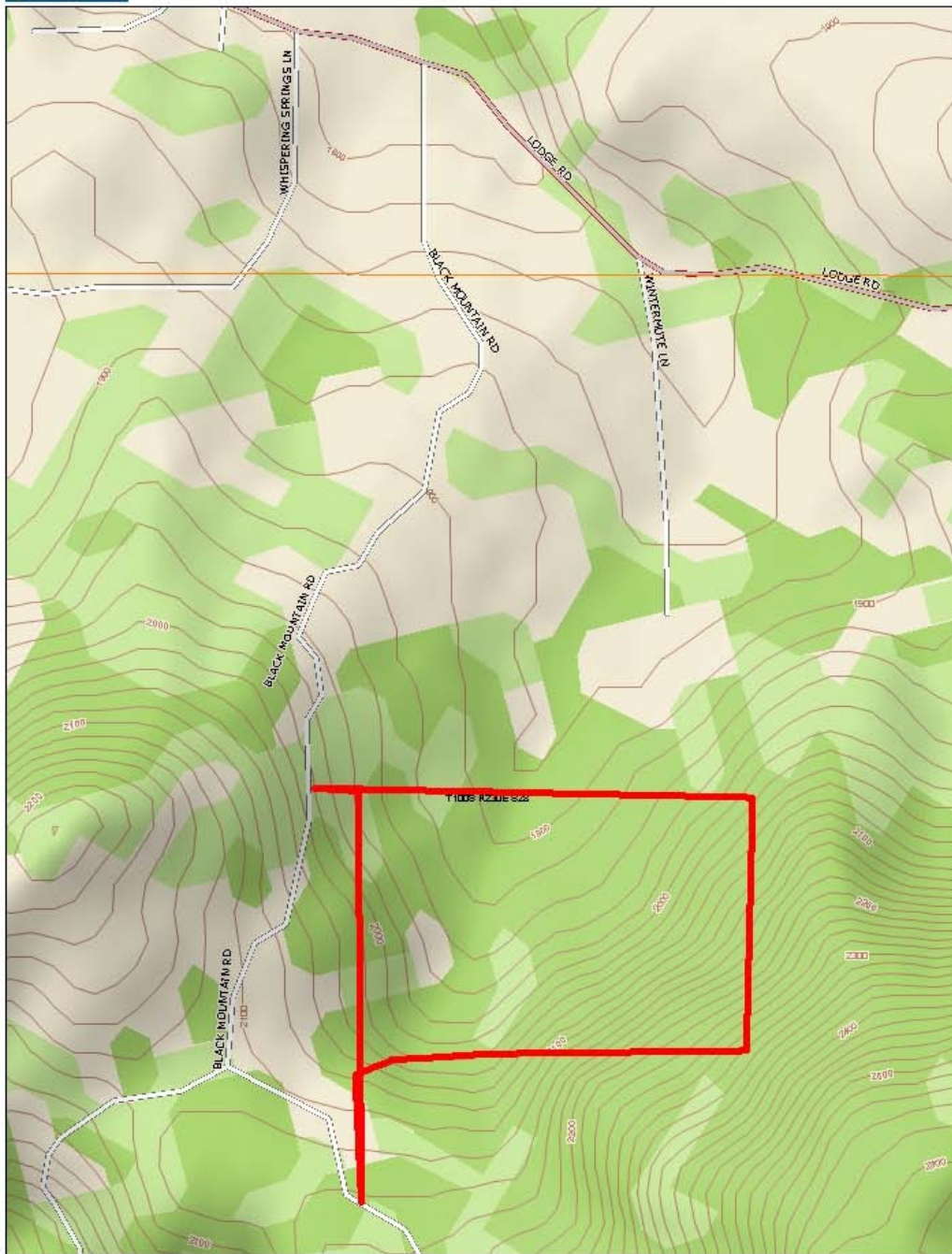
Recorded:	5/9/2008
Document Number:	68218
Grantor:	Bruce G. Staebler, et al.
Grantee:	Sierra Foothill Conservancy
Sale Price:	\$30,000, cash to sellers
Verified:	With the buyer

PROPERTY DESCRIPTION

Acres:	59.76 acres
Zoning	AE-40; Ag Preserve
Topography:	Rolling to steep
Water/Sewer:	None
Utilities:	Near the property
View:	Average
Water Feature:	Seasonal creeks
Access:	Private dirt road

COMMENTS: Sale of 59.76 acres of native pasture located NW of Tollhouse east of Fresno, in Fresno County, CA. Property is situated on the north slope of Black Mountain. A conservation easement was placed on the sale property in late 2007. At the time of the easement the sale property's unencumbered value had been appraised for \$270,000 (\$4,518/acre), the easement at \$210,000 (\$3,514/acre/ 78%), and value of the property after the easement of some \$60,000 (\$1,004/acre/ 22%). The easement restricts the use of the property for conservation uses and prohibits the development of a permanent residence, although a temporary residence is allowed. The sale of the property involved the buyers paying \$30,000 cash as a bargain sale, with the sellers taking the difference of \$30,000 as a tax credit. The total purchase price is considered to be the sum of the cash and the tax credit or \$60,000.

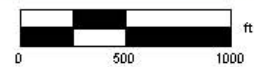
UNIT PRICE: \$1,004/acre



Data use subject to license.

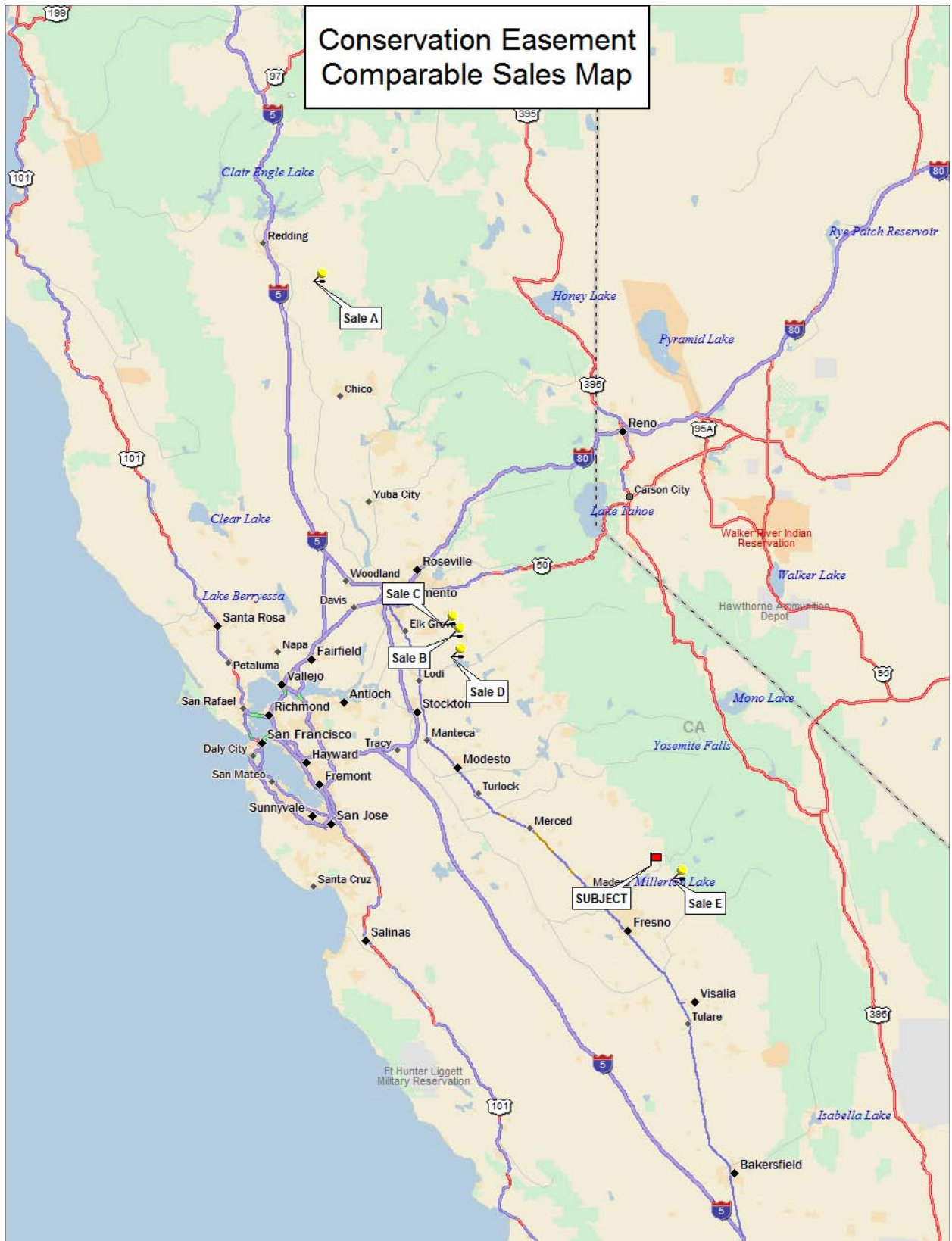
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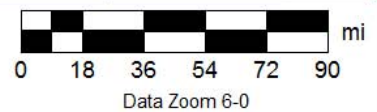


Data Zoom 14-6

Conservation Easement Comparable Sales Map



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Sales Adjustment Analysis

Finance

The value definition used in this assignment cites a cash value or its reasonable equivalent. Therefore, any sales involving seller financing concluded to be significantly different from current market rates should be analyzed.

All sales are cash or cash equivalent and do not require an adjustment.

Conditions of Sale

The value definition used in this assignment assumes neither buyer nor seller is abnormally motivated to purchase or sell. Any sales considered having occurred under conditions other than typical market conditions should therefore be adjusted.

All of the comparable sales presented are considered “arms length” transactions and are not adjusted for conditions of sale.

Market Conditions (Time)

The market conditions at the time of sale can be significantly different from the market conditions at the date of value. When the market conditions have changed significantly an adjustment is appropriate.

The sales occurred from September of 2002 through May of 2008. Analysis of the sale data and general market trends over this time period suggests that an upward adjustment for changing market conditions is appropriate for the sales A through D that occurred in 2002 and 2003. No matched pair of sales is available to extract a market derived adjustment. Real estate prices over this period of 2002 through mid 2009 in the region increased through late 2007 then decreased in the last two years. However, the market for rural properties such as the subject encumbered with a conservation easement is more difficult to quantify due to much less sale data. The conservation easements preclude most development and the market changes due to development potential is anticipated to be muted. We do believe that values have risen since 2002/2003, but not to the extent of lands without conservation easements in place. Sale E sold in May 2008 based upon a November 2007 appraisal. Prices have declined from 11/2007 to date.

Based upon the above, we have concluded that an upward adjustment for changing market conditions over time is appropriate for sales A through D, and downward for sale E.

Size

Typically, the size of a property is an important consideration if it varies substantially from the subject. Larger properties generally sell for greater amounts of money than smaller similar properties. The greater price restricts the number of buyers able to afford the property and therefore the demand. The subject is 1,362.09 acres.

Sale C is similar to the subject in size. Sales A and D are somewhat larger (inferior to) the subject. Sale B is substantially larger than the subject (inferior to) and should be adjusted upward somewhat. Sale E is significantly smaller than the subject (superior to) and should be adjusted downward.

Zoning/Land Use Designation

The subject is zoned ARE-40, exclusive agricultural uses with a 40 acre minimum parcel size, and is enrolled within the Williamson Act. In this after analysis the subject is also legally restricted by the proposed conservation easement.

All of the sales are considered to have similar designations and none are adjusted.

Utilities

Power and telephone lines are on the subject.

The sales have similar availability of utilities as the subject and none are adjusted for this factor.

Access

The subject property essentially has paved road access. All of the sales, except sale E, have access from paved public roadways or good quality dirt roads that are considered to be similar to the subject. Sale E has a short distance of dirt road access off of Lodge Road that is marginally inferior to the subject access.

Physical Features/Topography

The property under appraisal has rolling-to-steep topography.

All of the sales have topography that is less steep than (superior to) the subject topography. All of the sales have been adjusted downward for their superior topography.

Water Features

The subject has several seasonal creeks on site, which are common to foothill properties. Sale A is adjacent the Sacramento River, which is considered to be a superior water feature relative

to the subject's seasonal creeks. Sale A will be adjusted downward for its superior water feature. The remainder of the sales are considered to be similar and are not adjusted.

Location

The subject is located southeast of O'Neals, within 30 to 45 minutes of driving time to most parts of Fresno. Sale A is situated some 15 miles southeast of Redding, significantly closer to urban areas and a superior location relative to the subject. Sale A will be adjusted downward for its location. Sales B, C, And D are located east of Stockton and Sacramento in area that is 10 to 15 miles from the nearest urban area. These areas are closer to urban conveniences and pressures than the subject and these locations are concluded to be superior to that of the subject. Sales B, C and D are all adjusted downward for their superior locations. Sale E is located close to the subject in a similar location as the subject and is not adjusted.

Conservation Easement

The subject's conservation easement is allows three building envelopes including two envelopes allowing residential development on the subject property. Sale C has does not allow any buildings, is inferior and should be adjusted upward. Sales A, B, D and E allow some residential uses on the property and these sales have conservation easements considered to be similar to the subject. These sales should not be adjusted for this factor of comparison.

Comparable Sales Summary Chart

Sale	Subject Property	A	B	C	D	E
Grantee	051-130-003 Kennedy Table	Rickert	Chance	JP Curran	Chance	SFC
Sale Date		December-02	October-02	September-02	August-03	May-08
APN		57-190-01++	140-0020-002++	128-0090-045+	009-190-25++	128-790-37
Location		Redding, CA	NE of Stockton	SE of Sacramento	NE of Stockton	E of Fresno
Sales Price		N/A \$535,000	\$3,783,890	\$455,000	\$1,297,500	\$60,000
Size (acres)		1,362.09 2,261.48	12,988.79	1,139.78	2,866.17	59.76
Imp's		None \$0	\$0	\$0	\$0	\$0
Adjusted Price		N/A \$535,000	\$3,783,890	\$455,000	\$1,297,500	\$60,000
Price/Acre		N/A \$237	\$291	\$399	\$453	\$1,004
Zoning		ARE-40 AG	AG-80	AG-80	AG-80	AE-40
Topo	Rolling/Steep	Rolling	Rolling/Mop Steep	Rolling	Rolling	Rolling to steep
Access	Paved Road	Paved	Paved	Paved Rd	Paved	Dirt
Utilities	Yes	Yes	Yes	yes	Yes	Yes
Water Feature	Seasonal Crks	Sacramento River	Sesonal Crks	Sesonal Crks	Seasonal Crks	Seasonal Crks

Comparisons

Financing		similar	similar	similar	similar	similar
Conditions of Sale		typical	typical	typical	typical	typical
Date		inferior	inferior	inferior	inferior	superior
Size		1,362.09 Larger	larger	similar	larger	smaller
Zoning		ARE-40 similar	similar	similar	similar	similar
Utilities		Yes similar	similar	similar	similar	similar
Access		Paved Road similar	similar	similar	similar	inferior
Topo		Rolling/Steep superior	superior	superior	superior	superior
Water Feature		Seasonal Crks superior	similar	similar	similar	similar
Location		Average superior	superior	superior	superior	similar
Conservation Easement	Yes	similar	similar	inferior	similar	similar
Net Adjustment		Inferior	Inferior	inferior	Similar	Superior

VALUE CONCLUSION AFTER

The above adjustments are summarized on the chart on the previous page. The various adjustments are cataloged as "inferior", upward, "superior" downward, or "similar", no adjustments. The "inferior" and "superior" categories reflect the direction of the adjustment, not the dollar amount of adjustment. It is important to note that an "inferior" does not necessarily equal another "inferior" or cancel out a "superior". Specific percentages or dollar adjustments are not estimated. The sale data did not lend itself to a matched pair analysis to substantiate specific adjustment. Rather than present a series of individual adjustments based upon judgment, it is considered reasonable to present the data and the direction of the individual adjustment, conclude the net effect of the adjustment and from the resulting range, conclude a value for the subject.

The market data analyzed reflected an unadjusted range in price from \$237 to \$1,004 per acre after the conservation easement is in place. Sales A, B and C were concluded to be inferior overall to the subject, indicating lower limits of value. These sales were sold on the basis of \$237 to \$399 per acre. Sale D was concluded to be similar overall to the subject at \$453 per acre. Sale E at \$1,004 per acre is concluded to be superior to the subject primarily due to its much smaller size and sets an upper limit of value appropriate for the subject. This analysis suggests the subject has a value in the \$400 to \$600 per acre range.

Other Market Data Considerations

We have also considered several other sales comparison indicators in arriving at the subject property's value after the conservation easement encumbers the subject property. The above conservation easement sales indicated the conservation easements resulted in a reduction of the property's unencumbered value of between 70 and 78%. Applying this range of reduction to the subject's before value of \$1,100 per acre indicates an after value of \$242 to \$330 per acre. This approach is not considered to be as strong as directly comparing the sales to the subject due to the difficulty in extracting these reduction ratios, it is however considered to be useful as a check and suggest the subject value should be at the lower end of the range.

We have also investigated sales of more remote sales of unencumbered native pasture lands in more distant areas of the California foothills. We have researched sales of remote native pasture lands located in San Benito and Monterey Counties (coastal foothills) in 2006 and 2007. These sales indicated a range of value of \$606 to \$1,165 per acre for ranches that ranged in size from 1,030 to 7,754 acres. Remote, relatively steep and brushy native pasture 2004 through 2007 sales in eastern Kern County, near Lake Isabella indicated a range of price of

\$344 to \$675 per acre, for parcels ranging in size from 160 to 175 acres. Overall, these unencumbered sales indicate a range of value of \$344 to \$1,165 per acre. A value conclusion in the lower end of the suggested range is considered to be appropriate for the subject after the conservation easement encumbers the subject. This approach is not considered to be as strong as directly comparing the sales encumbered with conservation easements to the subject, it is however considered to be useful as a check and suggests the subject value should be in the upper end of the above range of \$400 to \$600 per acre.

The strongest market indicators are considered to be the five sales presented of lands encumbered with conservation easements. This analysis suggests the subject has an after value of \$400 to \$600 per acre. We have selected a value conclusion in the middle of this range due to the older date of Sales A through D and Sale E, the closest of the sales having sold for \$1,004/acre.

Based upon the above it is our opinion the subject property's as encumbered with the conservation easement as of August 25, 2010, of \$500 per acre, or

\$500/acre x 1,362.09 acres =	\$681,045
Rounded	\$680,000

VALUE OF THE CONSERVATION EASEMENT

The value of the conservation easement is the difference in the value of the subject property, before and after the conservation easement.

Value "Before"	\$1,500,000
Value "After"	<u>\$680,000</u>
Conservation Easement	\$820,000

Based upon the noted assumptions and limiting conditions, and the above summarized data and analysis, it is our opinion the proposed Conservation Easement for the subject has a Market Value as of August 25, 2010 of:

Extraordinary Assumptions and Limiting Conditions

1. We were not supplied with a technically correct legal description of the subject property. The information submitted indicated the subject includes a total acreage of 1,362.09 acres. We have assumed this acreage estimate to be accurate for this appraisal.
2. The Conservation Easement supplied is labeled as a "Draft" and is not signed. It is a Hypothetical Assumption of this appraisal when we appraise the subject in the after condition, that the Conservation Easement is final, signed and a legal document that legally restricts the subject property as described.
3. This appraisal was based upon the Conservation Easement being purchased not a donation. The appraisal report is **not** intended to comply with Internal Revenue Service appraisal requirements for noncash contributions.

EIGHT HUNDRED TWENTY THOUSAND DOLLARS

\$820,000

MARKETING AND EXPOSURE TIME

Under FIRREA (Financial Institutions Reform, Recovery, and Enforcement Act), the appraisers are required to estimate the marketing time for the real property being appraised. Marketing time is the time it takes an interest in real property to sell on the market during the period immediately after the as is effective date of an appraisal.³ A reasonable marketing time is a function of price, time, and anticipated market conditions, such as changes in the cost and availability of funds, not an isolated estimate of time alone. Our estimate is based on the information gathered through improved sales verification and reported in upcoming sections of this report; interviews with market participants; a review of investor surveys; and taking into consideration anticipated changes in market conditions.

Upon consideration, we conclude that a reasonable marketing time, assuming the property is professionally and actively marketed, would be up to 12 months.

Marketing time differs from exposure time which is always presumed to precede the effective date of an appraisal. Exposure time is the period before a hypothetical consummation of a sale at market value on the effective date of the appraisal.⁴ Market conditions in the near term are expected to remain basically unchanged from market conditions in the recent past, indicating that exposure time was equivalent to marketing time. Accordingly, we conclude that a reasonable exposure time, at the appraised value, was up to 12 months.

³ *Dictionary of Real Estate Appraisal*, op. cit., page 220.

⁴ *Ibid*, page 126.

ADDENDA

Preliminary Title Report



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

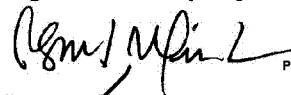
It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


Countersigned



Chicago Title Company

BY

 President

ATTEST

 Secretary



Chicago Title Company

ISSUING OFFICE: 8050 N. Palm Ave., Suite 110 • Fresno, CA 93711

FOR SETTLEMENT INQUIRIES, CONTACT: Chicago Title Company - Fresno Palm
7330 N. Palm Avenue, Suite 101 • Fresno, CA 93711
559 451-3700 • FAX : CALL FOR #

PRELIMINARY REPORT

Title Officer: Casandra Wright
Escrow Officer: Suzanne C. Ford
Escrow No.: 10-**45030391**-SCF

Title No.: 10-**50606051**-CW
Locate No.: CACTI7720-7710-4450-0050606051

TO: Sierra Foothill Conservancy
P.O. Box 529
Prather, CA 93651

ATTN: Chuck Peck

PROPERTY ADDRESS: APN's 051-130-023, 003, 008, 006 and 007, Madera County, California

EFFECTIVE DATE: August 9, 2010, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Policy - 1990

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Bart Leonard Topping and Cynthia J. Topping, by Superior Court Case No. CV07059 Amended Final Judgment of Partition, as to an undivided 43.75% interest, and Jane Topping as Successor Trustee of the Leonard J. Topping and Jane Topping Trust dated May 27, 1993, by Superior Court Case No. CV07059 Amended Final Judgment of Partition, as to an undivided 56.25% interest, as to PARCELS 1, 2, 3, AND 4; and

Leonard Topping and Jane Topping, Trustees of the Leonard J. Topping and Jane Topping Trust dated May 27, 1993, as to PARCEL 5

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EH\EH 08/23/2010

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF MADERA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

The Southwest quarter of the Southwest quarter of Section 31, Township 9 South, Range 22 East, the Northeast quarter of the Northeast quarter of Section 7, Township 10 South, Range 22 East and all that portion of Section 6, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, all being more particularly described as follows:

Beginning at the Northwest corner of said Section 6; thence North 2° 05' 16" West 1333.38 feet; thence South 88°49'49" East 1302.12 feet; thence South 1°28'09" East 1317.12 feet to the North line of the Northwest quarter of said Section 6; thence South 89°33'29" East 1287.78 feet to the North quarter corner of said Section 6; thence South 0°43'57" East 1311.13 feet; thence South 89°38'30" East 2592.42 feet; thence South 1°24'01" East 1299.24 feet to the East quarter corner of said Section 6; thence South 1°22'54" East 2615.40 feet to the Southeast corner of said Section 6; thence South 1320.00 feet to the Southeast corner of the Northeast quarter of the Northeast quarter of said Section 7; thence South 89°46'17" West 1318.42 feet to the Southwest corner of said Northeast quarter of the Northeast quarter; thence North 1320 feet to the Northwest corner of said Northeast quarter of the Northeast quarter; thence South 89°40'17" West 1318.24 feet to the South quarter of said Section 6; thence South 89°47'26" West 699.83 feet to a 5/8" rebar tagged LS. 4298; thence leaving the South line of the Southwest quarter of said Section 6 North 13°29'26" East 53.82 feet to a 5/8" rebar tagged LS. 4298; thence North 30°53'32" East 132.28 feet to a 5/8" rebar tagged LS. 4298; thence North 39°50'55" East 69.60 feet to a 5/8" rebar tagged LS. 4298; thence North 47°14'02" East 84.40 feet to a 5/8" rebar tagged LS. 4298; thence North 1°32'31" West 90.40 feet to a 5/8" rebar tagged LS. 4298; thence North 27°22'17" East 232.59 feet to a 5/8" rebar tagged LS. 4298; thence North 25°41'36" East 75.43 feet to a 5/8" rebar tagged LS. 4298; thence North 17°30'38" East 63.76 feet to a 5/8" rebar tagged LS. 4298; thence North 34°23'06" East 44.20 feet to a 5/8" rebar tagged LS. 4298; thence North 52°29'30" East 80.25 feet to a 5/8" rebar tagged LS. 4298; thence North 49°37'49" East 115.25 feet to a 5/8" rebar tagged LS. 4298; thence North 53°05'36" East 107.84 feet to a 5/8" rebar tagged LS. 4298; thence North 35°24'45" East 61.65 feet to a 5/8" rebar tagged LS. 4298; thence North 13°58'18" East 55.07 feet to a 5/8" rebar tagged LS. 4298; thence North 28°12'22" East 118.81; thence North 47°21'17" East, 44.29 feet to a 5/8" rebar tagged LS. 4298; thence North 66°32'36" East 95.21 feet to a 5/8" rebar tagged LS. 4298; thence North 50°40'46" East 147.30 feet to a 5/8" rebar tagged LS. 4298; thence North 55°58'48" East 68.03 feet to a 5/8" rebar tagged LS. 4298; thence North 32°08'11" East 55.25 feet to a 5/8" rebar tagged LS. 4298; thence North 16°01'08" East 54.51 feet to a 5/8" rebar tagged LS. 4298; thence North 28°40'24" East 128.51 feet to a 5/8" rebar tagged LS. 4298; thence North 5°08'21" East 206.50 feet to a 5/8" rebar tagged LS. 4298; thence North 51°02'34" East 46.05 feet to a 5/8" rebar tagged LS. 4298; thence North 83°41'59" East 55.45 feet to a 5/8" rebar tagged LS. 4298; thence North 49°54'50" East 99.57 feet to a 5/8" rebar tagged LS. 4298; thence North 15°34'42" West 498.90 feet to a 5/8" rebar tagged LS. 4298; thence North 25°57'40" East 172.49 feet to a 5/8" rebar tagged LS. 4298; thence North 26°42'31" West 184.77 feet to a 5/8" rebar tagged LS. 4298; thence North 25°09'39" East 160.96 feet to a 5/8" rebar tagged LS. 4298; thence continuing North 25°09'39" East 30.00 feet to the centerline of an existing road; thence Northwesterly along the centerline of said road being a curve concave to the Northeast whose radius point bears North 27°22'50" East 346.90 feet through a central angle of 9°57'06" an arc distance of 60.25 feet; thence leaving said centerline South 56°26'18" West 30.00 feet; thence continuing South 56°26'18" West 642.04 feet; thence South 36°07'55" East 137.67 feet; thence South 8°32'16" West 131.37 feet; thence South 73°46'48" West 168.99 feet; thence South 51°37'49" West 183.29 feet to the center of a 14" White Oak Tree; thence South 16°17'45" West 71.07 feet; thence North 55°23'32" West 381.70 feet to the center of a 20" White Oak Tree; thence North 35°16'44" West 103.54 feet to the center of a 10" White Oak Tree; thence North 31°15'53" West 107.28 feet to the center of a 26" White Oak Tree; thence North 16°09'31" West 67.94 feet to a 22" White Oak Tree; thence North 9°57'50" West 88.53 feet to a 5/8" rebar tagged LS. 4298; thence North 1°52'54" West 99.30 feet to a 22" White Oak Tree; thence North 6°44'41" East 268.83 feet to the center of a 14" White Oak Tree; thence North 0°05'42" East 126.35 feet to the center of a 20" White Oak Tree; thence North 1°16'42" West 182.37 feet to a 24" White Oak Tree; thence North 9°24'32" West 46.17 feet to the center of a 14" White Oak Tree; thence North 16°53'42" West 152.41 feet to the center of a 20" White Oak Tree; thence North 10°11'42" West 135.04 feet to the center of a 18" White Oak Tree; thence North 3°46'14" West 147.31 feet to the center of a 18" White Oak Tree; thence North 0°42'38" West 120.52 feet to the centerline of an existing road; thence Northerly along said centerline a curve concave to the Northeast whose radius point bears North 44°35'35" East 171.00 feet through a central angle of

05°00'46" an arc distance of 14.96 feet; thence along a curve to the left having a radius of 115.49 feet through a central angle of 112°17'41" an arc distance of 226.35 feet; thence South 27°18'34" West 205.64 feet; thence along a curve to the right having a radius of 110.00 feet through a central angle of 130°39'32" an arc distance of 250.85 feet; thence North 22°01'53" West 82.21 feet; thence along a curve to the left having a radius of 280.00 feet through a central angle of 15°08'09" an arc distance of 73.97 feet; thence North 37°10'03" West 83.63 feet; thence along a curve to the right having a radius of 150.00 feet through a central angle of 30°24'20" an arc distance of 79.60 feet; thence North 6°45'42" West 25.95 feet; thence leaving said centerline North 89°47'01" West 978.44 feet to a 3/4" iron pipe tagged LS. 2931; thence North 1321.98 to the point of beginning.

PARCEL 2:

Lots 1, 2, 3 and 4; the South 1/2 of the Northwest 1/4; the South 1/2 of the Northeast 1/4; the Northeast 1/4 of the Southeast 1/4; the West 1/2 of the Southwest 1/4; and the North 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 5, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 3:

The Northeast 1/4 of the Northwest 1/4 of Section 8, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 4:

The West 1/2 of the Northwest 1/4 of Section 3; and Lots 1, 2, 3, 4, 5, 6, 8, and 9; the South 1/2 of the Northwest 1/4; and the North 1/2 of the Southwest 1/4; and the Southwest 1/4 of the Southwest 1/4 of Section 4, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 5:

The Southeast 1/4 of the Southwest 1/4 of Section 4; the North 1/2 of the Northwest 1/4 of Section 9, all in Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

APN: 051-130-023 (Parcel 1), 051-130-003 (Parcel 2), 051-130-008 (Parcel 3), 051-130-006 (Parcel 4), 051-130-007 (Parcel 5)

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2010-2011.
2. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
3. **Rights of the public** in and to that portion of the herein described land lying within any public road.
4. **The lack** of a legal right of access to and from a public street or highway.

Affects: Parcel 3

5. **Any discrepancies** in boundary or area or any rights which may arise or exist which are disclosed by a Map of Survey on said property.

Recorded: February 13, 1964, Book 10, Page 31, of Maps

Affects: Parcels 1, 2 and 4

6. **Covenants and restrictions** imposed by a Land Conservation Contract executed pursuant to Section 51200 et seq. California Government Code.

Dated: February 21, 1968

Executed by: Leonard Topping and Florentine Topping as Owner(s) and the County of Madera

Recorded: July 2, 1968, Instrument No. 7968, Book 1013, Page 523, of Official Records

Affects: Parcels 1 through 5, and other land

7. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: The Ponderosa Telephone Co.

Purpose: Public utilities, ingress, egress, and any other purposes set forth therein

Recorded: November 19, 1970, Instrument No. 14313, Book 1075, Page 219, of Official Records

Affects: Parcel 1

The exact location and extent of said easement is not disclosed of record.

The effect of a Quitclaim of Easement executed by the Ponderosa Telephone Co., and Jane Topping and to her successor and assigns, recorded April 11, 2006, Instrument No. 2006016353, of Official Records.

Reference is made to said documents for full particulars.

- 8. Any discrepancies** in boundary or area or any rights which may arise or exist which are disclosed by a Map of Survey on said property.

Recorded: May 16, 1973, Book 19, Page 21, of Maps

Affects: Parcels 1 and 2

- 9. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: George E. Raymond, et al

Purpose: A non-exclusive easement appurtenant to their lands to use a private road for the purposes of access to and from their said lands and said County Road, restricted however to such use as might reasonably be made thereof, without surcharge of said easement, in connection with using their respective lands for livestock grazing, farming and residential purposes and such incidental uses as are related thereto.

Recorded: October 30, 1973, Instrument No. 15829, Book 1176, Page 469, of Official Records

Affects: Parcels 1 through 5

The exact location and extent of said easement is not disclosed of record.

- 10. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: The Ponderosa Telephone Co.

Purpose: Public utilities

Recorded: June 26, 1974, Instrument No. 8710, Book 1200, Page 236, of Official Records

Affects: Parcel 1

The exact location and extent of said easement is not disclosed of record.

The effect of a Quitclaim of Easement executed by the Ponderosa Telephone Co., and Jane Topping and to her successor and assigns recorded April 11, 2006, Instrument No. 2006016353, of Official Records.

Reference is made to said documents for full particulars.

- 11. Any discrepancies** in boundary or area or any rights which may arise or exist which are disclosed by a Map of Survey on said property.

Recorded: May 14, 1975, Book 20, Page 133, of Maps

Affects: Parcels 1 and 2

- 12. Any discrepancies** in boundary or area or any rights which may arise or exist which are disclosed by a Map of Survey on said property.

Recorded: February 2, 1977, Book 22, Page 1, of Maps

- 13. Matters** contained in that certain document entitled "Abstract of Option Agreement" dated May 22, 1980, executed by and between Bart Leonard Topping, et al, and Leonard Topping and Jane Topping, recorded June 2, 1980, Instrument No. 11636, Book 1532, Page 73, of Official Records.

Reference is hereby made to said document for full particulars.

- 14. Covenants and restrictions** imposed by a Land Conservation Contract executed pursuant to Section 51200 et seq. California Government Code.

Dated: February 15, 1985

Executed by: Leonard E. and Jane Topping Owner(s) and the County of Madera

Recorded: February 21, 1985, Instrument No. 3459, Book 1810, Page 140, of Official Records

Affects: Parcel 5

- 15. Matters** contained in that certain document entitled "Agreement" dated February 4, 1986, executed by and between Leonard Topping, et al, and Pacific Gas and Electric Company, recorded November 5, 1986, Instrument No. 22588, Book 1932, Page 600, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Parcels 1 through 5

- 16. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company, a California Corporation

Purpose: Electric transmission facilities, ingress, egress, and any other purposes set forth therein

Recorded: November 5, 1986, Instrument No. 22588, Book 1932, Page 600, of Official Records

Affects: Parcels 1 through 5

The exact location and extent of said easement is not disclosed of record.

17. A Notice of Right-To-Farm

Recorded: June 25, 2002, Instrument No. 2002020653, of Official Records

Reference is made to said document for full particulars.

18. Matters contained in that certain document entitled "Deed of Perpetual Conservation Easement" dated September 22, 2002, executed by and between Jane E. Topping, as successor Trustee of the Leonard J. Topping and Jane Topping Trust dated May 27, 1993; and Bart Leonard Topping and Cynthia J. Topping, husband and wife, in favor of the Sierra Foothill Conservancy, recorded October 7, 2002, Instrument No. 2002034749, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Portion of Parcel 4 and other land not covered herein

19. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sierra Foothill Conservancy
Purpose: Conservation easement
Recorded: October 7, 2002, Instrument No. 02034749, of Official Records
Affects: Portion of Parcel 4 and other land not covered herein

Reference is made to said document for full particulars.

20. Covenants, conditions and restrictions in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: October 7, 2002, Instrument No. 2002034749, of Official Records

Reference is made to said document for full particulars.

21. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sierra Foothill Conservancy
Purpose: Conservation easement
Recorded: June 22, 2004, Instrument No. 2004026420, of Official Records
Affects: Said land

Reference is made to said document for full particulars.

22. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$224,000.00
 Dated: June 3, 2004
 Trustor: Bart Leonard Topping and Cynthia J. Topping, husband and wife; Jane Topping, as Successor Trustee of the Leonard J. Topping and Jane Topping Trust dated May 27, 1993, by Superior Court Case No. CV07059 Amended Final Judgment of Partition
 Trustee: Fresno-Madera Federal Land Bank Association, FLCA, a corporation
 Beneficiary: Fresno-Madera Federal Land Bank Association, FLCA, a corporation
 Loan No.: 0590494300
 Recorded: June 22, 2004, Instrument No. 2004026419, of Official Records

Affects: The herein described land and other land.

By the provisions of an agreement

Dated: June 17, 2004
 Executed by: Fresno-Madera Federal Land Bank Association, FLCA
 Recorded: June 22, 2004, Instrument No. 2004026421, of Official Records

Said instrument was made subordinate to the lien of the document or interest described in the instrument

Recorded: June 22, 2004, Instrument No. 2004026420, of Official Records

By Deed of Partial Reconveyance recorded March 30, 2010, Instrument No. 2010008905, of Official Records, said deed of trust has been partially reconveyed as to Parcel 5 herein.

23. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Ponderosa Telephone Co., and its successors and assigns
 Purpose: Public utilities, ingress, egress, and any other purposes set forth therein
 Recorded: April 11, 2006, Instrument No. 20060016354, of Official Records
 Affects: Said land

Reference is made to said document for full particulars.

24. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a **Trust Certification pursuant to California Probate Code Section 18100.5**. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

- 25. The application** for title insurance was placed by reference to only a street address or tax identification number.

Based on our records, we believe that the description in this report covers the parcel requested, however, if the legal description is incorrect a new report must be prepared.

If the legal description is incorrect, in order to prevent delays, the seller/buyer/borrower must provide the Company and/or the settlement agent with the correct legal description intended to be the subject of this transaction.

END OF ITEMS

Note 1. *IMPORTANT RECORDING NOTE*****

For Madera County, please send all original documents for recording to the following office:

Chicago Title Company
1653 N. Schnoor Ave., Ste 107
Madera, CA 93637
Phone (559) 673-3551
Attn: Recording Desk

Please direct all other title communication and copies of documents, including recording release instructions, policy write-up instructions, lenders instructions and settlement statements, to the Title Only Department of the issuing office.

Note 2. The name(s) of the buyer(s) furnished with this application for Title Insurance is/are:

Sierra Foothill Conservancy

If these names are incorrect, incomplete or misspelled, please notify the Company.

Note 3. There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

Note 4. The charge for a policy of title insurance, when issued through this title order, will be based on the Basic (not Short-Term) Title Insurance Rate.

Note 5. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.: 051-130-023 (Parcel 1)
Fiscal Year: 2009 - 2010
1st Installment: \$622.94
2nd Installment: \$622.94
Exemption: \$7,000.00
Land: \$79,695.00
Improvements: \$44,472.00
Personal Property: \$570.00
Code Area: 083-010

Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.: 051-130-003 (Parcel 2)
Fiscal Year: 2009 - 2010
1st Installment: \$416.73
2nd Installment: \$416.73
Exemption: \$0.00
Land: \$78,760.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 083-010

Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.: 051-130-008 (Parcel 3)
Fiscal Year: 2009 - 2010
1st Installment: \$36.54
2nd Installment: \$36.54
Exemption: \$0.00
Land: \$6,907.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 083-010

Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.: 051-130-006 (Parcel 4)
Fiscal Year: 2009 - 2010
1st Installment: \$538.04
2nd Installment: \$538.04
Exemption: \$0.00
Land: \$101,690.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 083-010

Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.: 051-130-007 (Parcel 5)
Fiscal Year: 2009 - 2010
1st Installment: \$109.64
2nd Installment: \$109.64
Exemption: \$0.00
Land: \$20,723.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 083-010

Note 6. The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.

Note 7. ESCROW INFORMATION NOTE: Arb No: Bk 51 Pg 130 Pcls 3, 6, 7, 8, 23

Note 8. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 9. Wiring instructions for Chicago Title Company, Fresno, CA, are as follows:

Receiving Bank: Bank of America
275 Valencia Blvd, 2nd Floor
Brea, CA 92823-6340
ABA Routing No.: 026009593
Credit Account Name: Chicago Title Company - Fresno Palm
7330 N. Palm Avenue, Suite 101, Fresno, CA 93711
Credit Account No.: 12354-83953
Escrow No.: 10-**45030391**-SCF

These wiring instructions are for this specific transaction involving the Title Department of the Fresno office of Chicago Title Company. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

Note 10. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

T.10S. R.22E. M.D.B.&M.

51-13

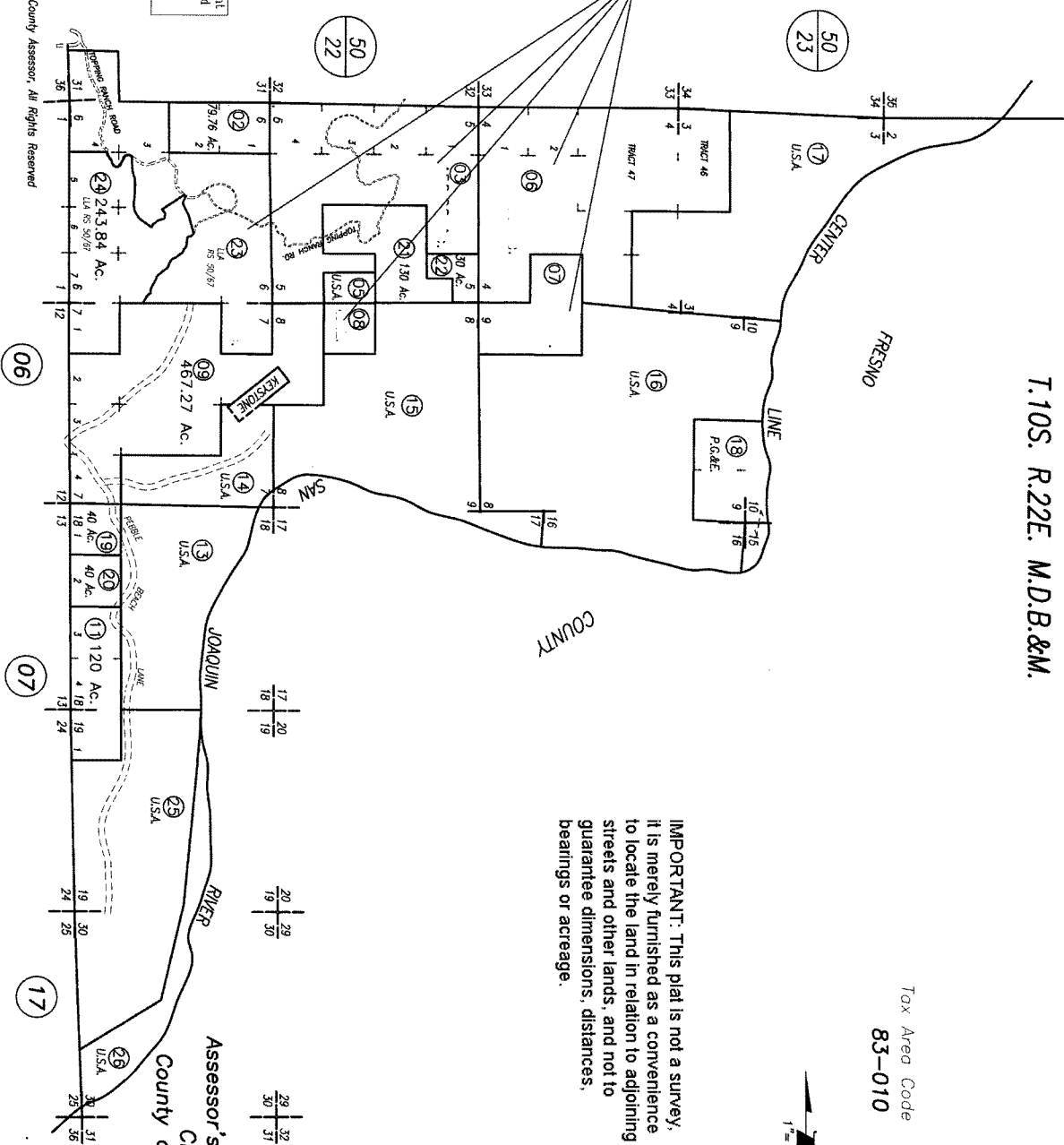
Tax Area Code
83-010



IMPORTANT: This plat is not a survey,
it is merely furnished as a convenience
to locate the land in relation to adjoining
streets and other lands, and not to
guarantee dimensions, distances,
bearings or acreage.

PIQ

NOTE: This map is for assessment
purposes only and is not intended
for interpretation of boundary
rights, zoning regulations or
land division.



Assessor's Map No. 51-13
Chowankee
County of Madera, Calif.
1960

Topping Ranch Conservation Easement

Recording requested, and when
Recorded, return to:

Sierra Foothill Conservancy
P. O. Box 529
Prather, CA 93651

With a conformed copy to:

Bart and Cynthia Topping
Topping Ranch
P.O. Box 2
O'Neals, CA 93645

Jane E. Topping
Leonard and Jane Topping Family Trust
P.O. Box 48
O'Neals, CA 93645

(Space above this line reserved for recorder's use)

TOPPING RANCH

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT is made this ____ day of _____, ____ by Jane E. Topping, as successor Trustee of the Leonard and Jane Topping Family Trust dated May 27, 1193, and Bart Leonard Topping and Cynthia J. Topping, husband and wife (Grantor), in favor of SIERRA FOOTHILL CONSERVANCY, a California nonprofit corporation having an address at P.O. Box 529, Prather, CA 93651 ("Grantee").

WITNESSETH:

WHEREAS, the Grantor is the sole owner in fee simple of approximately 1,322 acres of real property in Madera County, California, more particularly described in Exhibit A attached, and depicted in Exhibit B attached, hereto and incorporated by this reference (the "Property");

and

WHEREAS, the Property possesses grazing, natural, scenic, open space, and ecosystem values of great importance to Grantor, the people of Madera County, and the people of the State of California; and

WHEREAS, the Property consists primarily of grazing land, oak woodland and Annual Grassland which together provide an important grazing resource and habitat for native plants and animals. The primary purpose of this Conservation Easement is to prevent the conversion of this grazing land to nonagricultural uses, to protect the long-term sustainability of livestock grazing and to ensure the wildlife, water quality, watershed and open-space benefits of the Property are protected in perpetuity; and

WHEREAS, the grant of this Conservation Easement will also serve the following "conservation purposes," as such term is defined in Section 170(h)(4)(A) of the Internal Revenue Code:

(a) The preservation of open space pursuant to the following clearly delineated governmental conservation policies, which will yield a significant public benefit:

- Section 815 of the California Civil Code, which declares that the preservation of land in its natural, scenic, agricultural, historical, forested, or open-space condition is among the most important environmental assets of California, and further declares it to be the public policy and in the public interest of this State to encourage the voluntary conveyance of conservation easements to qualified nonprofit organizations.
- Section 51102 of the California Government Code, which declares that it is the State's policy to maintain the optimum amount of the State's limited supply of timberland to ensure its current and continued availability for the growing and harvesting of timber and compatible uses, and to discourage premature or unnecessary conversion of timberland to urban and other uses.
- The California Land Conservation Act of 1965, which provides for individual California counties to establish Land Conservation Agreements.
- The action of the Madera County Board of Supervisors to accept the Property into a Land Conservation Agreement as evidenced by resolution number 93-3 and the Agreement, instrument number 940983, recorded February 25, 1994 in the Official Records of Mariposa County.

(b) The preservation of open space for the scenic enjoyment of the general public

pursuant to the following factors, which will yield a significant public benefit:

- The Property is visible from County Road 210 and Millerton Lake.

(c) The protection of a relatively natural habitat of plants or similar ecosystem, as demonstrated by:

- The annual grassland, blue oak woodland, and the riparian areas on the Property provide significant natural habitat for native animal species.
- The Property's significant natural habitat contributes to the ecological viability of the surrounding annual grassland and blue oak woodland.

WHEREAS, the Sierra Foothills area in which the Property is located, including the Property, is subject to increasing development pressure, with attendant fire danger, that will be lessened by the preservation of this Property. The termination of development rights resulting from the creation of this Conservation Easement will provide a long-term opportunity to continue to provide scenic and attractive views along public roads.

WHEREAS, the Conservation Easement also will conserve the valuable grazing land present on the site, and will support the regional ranching economy. While this Conservation Easement may be supplemented and its conservation value enhanced by the establishment of other conservation easements in the area, the parties to this agreement recognize that this Conservation Easement stands on its own, and does not require the creation of any other easements to provide the benefits for which the Property is being restricted; and

WHEREAS, the specific characteristics of the Property are further documented in an inventory of relevant features of the Property dated _____ that is on file at the offices of Grantee and incorporated by this reference ("Baseline Documentation"), which consists of reports, maps, photographs, and other documentation that the parties agree provide, collectively, an accurate representation of the Property at the time of this grant and which is intended to serve as an objective, though nonexclusive, information baseline for monitoring compliance with the terms of this grant; and

WHEREAS, Grantor intends that the conservation values of the Property be preserved and maintained by permitting only those land uses on the Property that do not significantly impair or interfere with them, including, without limitation, those relating to grazing, recreation and the limited homesite use specified herein; and

WHEREAS, Grantor further intends, as owner of the Property, to convey to Grantee the right to preserve and protect the conservation values of the Property in perpetuity; and

WHEREAS, Grantee is a publicly supported, tax-exempt nonprofit organization and a qualified organization under Sections 501(c)(3) and 170(h), respectively, of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Internal Revenue Code"), whose primary purpose is the preservation, protection, or enhancement of land in its natural, scenic, forested and/or open space condition. Grantee is qualified to hold conservation easements under the laws of the State of California and has the commitment and resources to enforce this Conservation Easement, and has received a grant from the Sierra Nevada Conservancy, an agency of the State of California, for the _____ acquisition of this Conservation Easement; and

WHEREAS, Grantee agrees by accepting this grant to honor the intentions of Grantor stated herein and to preserve and protect in perpetuity the conservation values of the Property for the benefit of this generation and the generations to come.

NOW, THEREFORE, in consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the law of State of California and in particular, inter alia, Sections 815-816 of the California Civil Code, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property of the nature and character and to the extent hereinafter set forth ("Conservation Easement").

1. Purpose. It is the purpose of this Conservation Easement to assure that the Property will be retained forever predominantly in its ranching, natural, scenic, forested, and open space condition and to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property. Grantor intends that this Conservation Easement will confine the use of the Property to such activities, including without limitation, those involving grazing, recreation, education and the limited homesite use specified herein, as are not inconsistent with the purpose of this Conservation Easement. The open space character, scenic panorama, and grazing viability of the Property, and the diversity of native trees, plants, and wildlife on the Property, are collectively referred to herein as the "conservation values" of the Property.

2. Rights of Grantee. To accomplish the purpose of this Conservation Easement, the following rights are conveyed to Grantee by this Conservation Easement:

- a. To preserve and protect the Conservation Value of the Property by enforcing the restrictions set forth in Paragraphs 3 and 4 below;
- b. To enter upon the Property once each year, at reasonable times, in order to monitor compliance with and otherwise enforce, the terms of this Conservation Easement in accordance with Paragraph 7; provided that, except in cases where Grantee determines that immediate entry is required to prevent, terminate, or mitigate a violation of this Conservation Easement, such entry shall be upon prior reasonable notice to Grantor, and Grantee shall not in any case unreasonably interfere with Grantor's use and quiet enjoyment of the Property;
- c. To prevent any activity on, or use of, the Property that is inconsistent with the purpose of this Conservation Easement and to require the restoration of such areas or features of the Property that may be damaged by an inconsistent activity or use, pursuant to the remedies set forth in Paragraph 7; and
- d. To erect and maintain a sign or other appropriate marker on the Property bearing information indicating that the Property is protected by a Conservation Easement held by Grantee. The sign shall also name the "Funding Source " as the funding source. The location and design of the sign shall be determined by mutual consent of Grantor and Grantee. The wording of the information shall be determined by mutual consent of Grantor and Grantee, but shall clearly indicate that the Property is privately owned and not open to the public. Grantee shall be responsible for the costs of erecting and maintaining such sign or marker.

3. Extinguishment of Development Rights. Except as otherwise reserved to the Grantor in this Conservation Easement, all development rights appurtenant to the Property are hereby released, terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property adjacent or otherwise, or used for the purpose of calculating permissible lot yield of the Property or any other property. The development rights extinguished by the creation and sale of this Conservation Easement include any rights to agricultural development of vineyards, orchards, or any cultivated farming. The extinguished development rights also include any residential, municipal, industrial or mining rights that may be allowed by law on the Property either now or in the future. The Permitted Homesites allowed by Paragraph 5(a) and the Agricultural Support Area expressly permitted by Paragraph 5(b) are, however, allowed strictly in compliance with the terms of those sections.

4. Prohibited Acts. Grantor promises that it will not perform, or knowingly allow others to perform, any act or use on or affecting the Property described herein in conflict with the covenants set out in this Conservation Easement. Grantor authorizes Grantee to enforce these covenants. However, unless otherwise specified herein, nothing in this Conservation Easement shall require Grantor to take any action to restore the condition of the Property after any Act of God or other event over which Grantor has no control. Grantor understands that nothing in this Conservation Easement relieves it of any obligation or restriction on the use of the Property imposed by law. Any activity on, or use of, the Property inconsistent with the purpose of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited;

- a. Subdivision. The legal or de facto division, subdivision or partitioning of the Property, except as may be required by law for the uses permitted herein. The parcels that comprise the Property shall not be sold or transferred separately, and the Grantor and Grantee agree that Property shall remain intact as 1,950 acres which includes the existing 600 acre easement on Kennedy Table. In addition, no division, subdivision, partition, or de facto subdivision of the Property is permitted. This paragraph does not prohibit the merging of parcels to reduce the number of parcels that currently comprise the Property nor does this paragraph prohibit the lease of a portion of the Property for rangeland use, or a voluntary conveyance to a governmental or nonprofit entity for conservation or public access purposes provided that such lease or conveyance does not interfere with or burden this Conservation Easement and the Conservation Values protected hereby.

- b. Development Rights. The use or exercise or transfer of the development rights extinguished by this Conservation Easement on the Property or any portion thereof, as it now or hereafter may be bounded or described or on any other property.
- c. Buildings and Structures. The placement of buildings, structures or parking lots on the Property; except for the Permitted Homesites specified in Paragraph 5(a) hereof and the Agricultural Support Area as expressly permitted by Paragraph 5(b) strictly in compliance with the terms of those sections.
- d. Roads and Improvements. The placement of roads, utility lines, pipelines or other improvements on the Property that would significantly impair or irretrievably diminish the conservation values of the Property. Notwithstanding the foregoing, roads, utility lines, pipelines, septic systems and other improvements that are customary and proper for the provision of access and utilities to the Permitted Homesites described by Paragraph 5(a) and the Agricultural Support Area in Paragraph 5(b) will not be deemed to significantly impair or irretrievably diminish the conservation values of the Property, so long as all such roads, utility lines, pipelines, septic systems and other improvements are constructed in accordance with the requirements of Paragraph 5(a) or Paragraph 5(b), as applicable.
- e. Signs. The placement of signs or billboards on the Property, except for signage to advertise it for sale or rent, to post the Property to control unauthorized entry or use, to identify the property, or to identify the property is encumbered by this Conservation Easement.
- f. Removal of Timber and Shrubs. The pruning, cutting down, or other destruction or removal of live trees located outside the Permitted Homesites described in Paragraph 5(a) or the Agricultural Support Area described in Paragraph 5(b), except as necessary, in accordance with generally accepted rangeland practices, to control or prevent hazard, disease, or fire, or to maintain open space areas essential to the conservation values of this Conservation Easement.
- g. Underground Fuel Storage Tanks and Disposal of Debris. The placement of underground fuel storage tanks on the Property, and the processing, storage,

dumping, or other disposal of wastes, refuse and debris, except for non-hazardous and nontoxic materials generated by activities permitted hereby.

- h. Commercial Feedlot. The establishment or maintenance of any commercial feedlot, which is defined for the purposes of this Conservation Easement as a confined area or facility within which the land is not grazed at least annually and which is used to receive livestock that have been raised off the Property for feeding and fattening for market.
- i. Mining. Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extracting minerals, loam, soil, sands, gravel, rocks or other material on or below the surface of the Property, except as may be necessary for the protection to the Conservation Values of this Conservation Easement.

5. Reserved Rights. Grantor reserves to her/himself, and to his/her personal representatives, heirs, successors, and assigns, all rights accruing from his/her ownership of the Property, including the right to engage in, or permit or invite others to engage in, all uses of the Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Conservation Easement. Without limiting the generality of the foregoing, and subject to the terms of Paragraph 4 and the notice and approval requirements of Paragraph 6, the following rights are expressly reserved by Grantor:

- a. Permitted Homesites. The right to reconstruct, utilize, maintain and improve the two (2) existing single-family residences on the Property, for non-commercial use, together with all outbuildings, customary residential non-motorized recreational structures (including but not limited to pools, gazebos, arbors, tennis courts, basketball courts, and equestrian rings), utility lines, pipelines, sewer lines, septic systems, wells, driveways, connecting roads and parking areas commonly and appropriately incidental thereto. No more than five (5) contiguous acres for each homesite may be used for non-Conservation Easement related purposes such as the construction and maintenance of the main residence and home based businesses compatible with any applicable zoning ordinances or other regulations, outbuildings, driveways, lawns, landscaping, and other residential uses. The five (5) acre development areas are herein referred to as the "Permitted Homesites."

The location of the Permitted Homesites and related improvements will be documented in the Baseline Report.

- i. All utilities, access roads, pipelines and sewer lines serving the Permitted Homesites shall be constructed in a reasonably efficient manner, so as to result in the reasonably shortest length for the purpose to be served and so as to minimize the impact upon the Conservation Values of the Property.
 - ii. Grantor may elect to abandon and relocate any established Permitted Homesite that has been destroyed or rendered unusable by fire or other natural disaster provided that (A) Grantor notifies Grantee of its intent to relocate such Permitted Home site, (B) Location of relocated home site is within the five (5) acre building site, and (C) Grantor restores the abandoned Permitted Homesite location to reasonable pre-development conditions.
- b. Agricultural Support Area. The right to reconstruct, utilize, maintain and improve the existing barn, corral and associated structures together with all utility lines, pipelines, sewer lines, septic systems, wells, driveways, connecting roads and parking areas commonly and appropriately incidental thereto on the Property necessary for a grazing operation (the "Agricultural Support Area"). The barn and corral area, including all associated structures and utilities, shall not exceed five (5) contiguous acres. The parties acknowledge that the Agricultural Support Area is in existence on the date of this Conservation Easement and its location is documented in the Baseline Documentation.
- c. Agricultural Operations/Grazing. All rights to use the property for grazing of Grantor's cattle, or cattle owned by others under contract, at an intensity that does not adversely affect the Conservation Values and to lease the Property for the same purpose subject to this Conservation Easement. The right to conduct the grazing operation shall include the right to erect, maintain and repair appropriate fences, watering facilities and other customary improvements in appropriate locations throughout the Property that do not adversely affect the Conservation Values; except that handling, weighing and loading corrals and other more intensive development shall be located in the Agricultural Support Area. The right to conduct educational and agri-tourism operations incidental to the grazing operation. Any structures, roads or other facilities related to the incidental programs must be located within the Agricultural Support Area and shall meet all requirements of this Conservation Easement applicable to the Agricultural Support Area as well as all applicable state or county zoning ordinances, building codes, and other regulations. The cumulative impacts of educational or agri-tourism on the Property must be no greater than the impacts of the grazing operation without the incidental programs.
- d. Resource Stewardship. In order to protect the Conservation Values of the Property, Grantor is encouraged to conduct all ranching and farming operations in accordance with good management practices that address soil and water conservation, erosion control, pest management, nutrient management, timber management, and habitat protection.

- e. Water. All right, title and interest in and to all tributary and non-tributary water, and water rights, and related interests in, under or appurtenant to the Property; provided such water rights are developed in a manner consistent with purposes of this Conservation Easement.
- f. Recreation/Education. All rights to engage in, and permit others to engage in, all passive recreational uses of the Property that do not significantly impair or irremediably diminish the Conservation Values of the Property, such as hay rides, camping, hunting, picnics, outings, including educational observation or scientific study and all such outdoor activities normally and customarily conducted by owners of property in such foothill settings.
- g. Fences. Existing fences may be repaired and replaced, at their existing locations on the Property for purposes of reasonable and customary management of livestock and wildlife, without further permission from Grantee. New fences and cross-fences at new locations may be constructed for such purposes without further permission from Grantee, provided that any new fence shall be sited and designed to protect the Conservation Values of the Property, including, but not limited to, wildlife corridors.
- h. Paving and Road Construction. All rights to construct (after notice to Grantee) and maintain roads on the Property that may be reasonably necessary and incidental to carrying out the improvements and uses permitted on the Property. Other than roads used for access to the Permitted Homesites, no portion of the Property shall be paved or otherwise covered with concrete, asphalt, or other impervious paving material, unless such measures are required by air quality laws or regulations applicable to the Property.
- i. Trespassing. The right to exclude any member of the public from trespassing on the Property (other than representatives of Grantee).
- j. Sell or Transfer. The right to sell or otherwise transfer the Property to anyone Grantor chooses pursuant to Paragraph 13 below.
- k. Other Easements. Grantor may grant other easements on the Property provided that such easements do not interfere with or reduce the Conservation Values of this Conservation Easement. Grantee shall be notified at least sixty-(60) days in advance, in writing, of any proposed conservation or other easement affecting the Property, which notice shall include a copy of the proposed easement.

6. Notice and Approval.

- a. Notice of Intention to Undertake Certain Permitted Actions. The purpose of requiring Grantor to notify Grantee prior to undertaking certain permitted activities, whenever required in this Conservation Easement, is to afford Grantee an adequate opportunity to monitor the activities in question to

ensure they are designed and carried out in a manner that is not inconsistent with the purpose of this Conservation Easement. Whenever notice is required, Grantor shall notify Grantee in writing not less than sixty (60) days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to make an informed judgment as to its consistency with the purpose of this Conservation Easement.

- b. Grantee's Approval. Where Grantee's approval is required, Grantee shall grant, or withhold, its approval in writing within thirty (30) days of receipt of Grantor's written request therefore. Grantee's approval may be withheld only upon a reasonable determination by Grantee that the action, as proposed, would be inconsistent with the purpose of this Conservation Easement. Failure by Grantee to timely respond to Grantor's written request for approval shall be deemed approval of the activity described in Grantor's written request.

7. Remedies.

- a. Notice of Violation; Corrective Action. If Grantee determines that a violation of the terms of this Conservation Easement has occurred, or is threatened, Grantee shall give written notice to Grantor of such violation, and not later than fourteen (14) days after the delivery of such written notice or on a date mutually agreeable to both Grantor and Grantee, the parties shall meet to discuss the circumstances of the violation and to attempt to agree on appropriate corrective action. If the parties are unable to agree on corrective action, Grantee shall deliver a further written notice to Grantor to demand corrective action sufficient to cure the violation resulting from any use or activity inconsistent with the Conservation Value or any of them, or the Conservation Easement Purpose, to restore the portion of the Property so injured to its prior condition, in accordance with a plan approved by Grantee.
- b. Injunctive Relief. If Grantor fails to cure the violation within thirty (30) days after receipt of notice from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to continue diligently to cure such violation until finally cured, Grantee may pursue injunctive relief. The parties acknowledge that the Conservation Values that this Conservation Easement protects are unique and can suffer irreparable harm if violations of the restrictions set forth in this Conservation Easement are not promptly remedied. Therefore, the parties acknowledge that, notwithstanding the parties' agreement to Binding Dispute Resolution, Grantee shall be entitled to petition in Court for injunctive relief to enjoin a violation of the Conservation Easement pending completion of the Binding Dispute Resolution process set forth below.
- c. Mediation/Arbitration. Binding Dispute Resolution. The parties shall submit all disputes, claims or demands of any kind relating to or arising out of this Agreement (a "controversy") to a three step resolution process. The three

step resolution process shall (i) begin with informal negotiation conducted in good faith as set forth in a, above; (ii) to be followed, if necessary, by mediation initiated by written demand by one party served upon the other; and (iii) if the controversy is not resolved by mediation, the controversy shall be submitted to binding arbitration by a single neutral arbitrator in accordance with the then existing rules of the American Arbitration Association, except that the provisions of California Code of Civil Procedure section 1283.05 shall be adopted and used with respect to discovery prior to the arbitration hearing. The arbitration award shall be a reasoned award and shall contain a written explanation of the arbitrator's findings and conclusions. The arbitrator shall follow the law of the State of California. The hearing shall take place in Fresno, California. The award may be entered in any court of competent jurisdiction.

- d. Damages. If Grantee is awarded damages for violation of the terms of this Conservation Easement or injury to any Conservation Value protected by this Conservation Easement, including, without limitation, damages for the loss of scenic, aesthetic, or environmental values, Grantee shall first apply any damages recovered to undertaking any corrective action on the Property, and secondly, to the costs incurred, if any, to resolve the dispute.
- e. Emergency Enforcement. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Value of the Property, Grantee may pursue its remedies under this Paragraph 7, subject to prior written notice to Grantor, without waiting for the period provided for cure to expire.
- f. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement Agreement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, negate, or mitigate significant injury to the Property resulting from such causes. Further, nothing contained in this Conservation Easement Agreement shall require Grantor or Grantee to take any action to restore the condition of the Conservation Easement after any Act of God or other event in which Grantor has no control.

8. No Public Dedication or Public Access. Nothing contained in this Conservation Easement Agreement shall be deemed to be a gift or dedication of all or any portion of the Property for use by the general public. This instrument does not convey a general right of access to the public.

9. Costs, Liabilities, Taxes, and Environmental Compliance.

- a. Costs, Legal Requirements, and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including the maintenance of adequate liability insurance coverage. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals for any construction or other activity or use permitted by this Conservation Easement, and all such construction or other activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Nothing contained herein shall limit Grantor's ability to place mortgage, or other financing liens on the property; however, Grantee shall not be required or expected to subordinate its interest under this Conservation Easement to the lien of any such mortgage or other financing.
- b. Taxes. Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of this Conservation Easement Agreement, and shall furnish Grantee with satisfactory evidence of payment upon request.
- c. Representations and Warranties. Grantor represents and warrants that, to the best of their actual knowledge after reasonable investigation:
 - i. No substance defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment exists or has been released, generated, treated, stored, used, disposed of, deposited, abandoned, or transported in, on, from, or across the Property, unless such storage or use, was conducted in accordance with applicable law then in effect and in accordance with the substance's labeling information;
 - ii. There are not now any underground storage tanks located on the Property, whether presently in service or closed, abandoned, or decommissioned, and no underground storage tanks have been removed from the Property in a manner not in compliance with applicable federal, state, and local laws, regulations and requirements;
 - iii. Grantor and the Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Property and its use;
 - iv. There is no pending or threatened litigation in any way affecting, involving, or relating to the Property; and

- v. No civil or criminal proceedings or investigations are now pending, and as of the date of executing this Conservation Easement, Grantor has not received any notices, claims, demands, or orders, arising out of any contract or ownership dispute or any violation or alleged violation of, or failure to comply with, any federal, state, or local law, regulation, or requirement applicable to the Property or its use, nor do there exist any facts or circumstances that Grantor might reasonably expect to form the basis for any proceedings, investigations, notices, claims, demands, orders or potential litigation in any way affecting, involving or relating to the Property.

Furthermore, Grantor represents and warrants that Grantor shall promptly inform Grantee of any changes in these representations or any additional information Grantor obtains that would change the above representations and warranties, whether that change in circumstances or additional information occurs or is discovered before or after the transfer of this Conservation Easement to Grantee.

- d. Hold Harmless. Grantor hereby releases and agrees to hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against any and all liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, including, without limitation, reasonable attorney's fees, arising from or in any way connected with: (a) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of the cause, unless due to the negligence of any of the Indemnified Parties; (2) the violation or alleged violation of, or other failure to comply with any state, federal, or local law, regulation, or requirement, including, without limitation, any Environmental Law as defined below by any person other than any of the Indemnified Parties, in any way affecting, involving, or relating to the Property; (3) the presence of release in, on, from, or about the Property, at any time, or any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, unless caused solely by any of the Indemnified Parties; and (4) the obligations, covenants, representations, and warranties of Paragraphs 9(c) above. In the event of any liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, the right to the indemnification provided by this paragraph 9(e) shall not apply to any amounts or actions, including attorneys' fees, incurred by Grantee prior to Grantee's written notice of such amounts or actions to Grantor, after allowing Grantee a reasonable grace period to provide notice. Grantor shall not be obligated to pay any settlement payment, including attorney's fees and costs,

unless such cost, expense, or settlement payment is approved in advance in writing by Grantor, which approval shall not be unreasonably withheld

10. Condemnation and Termination.

- a. Condemnation. If all or any part of the Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, so as to terminate this Conservation Easement in whole or in part, Grantor and Grantee shall act jointly to recover the full value of their respective interests in the Property so taken or purchased, and all direct or incidental damages resulting therefrom. Condemnation awards and/or payments shall be the property of Grantor, whether such award shall be made as compensation for diminution in the value of the Property, the value of the part taken, or for severance damages; provided however that the Grantee shall be entitled to compensation for reasonable loss of value of the Property, if any, and expenses reasonably incurred by Grantee in connection with the taking or purchase. The portion of the award or purchase price allocated to the Conservation Easement and payable to Grantor shall be determined by paragraph 10(c) below. If only a portion of the Property is subject to such exercise of eminent domain, this Conservation Easement shall remain in effect as to all other portions of the Property.
- b. Termination. If circumstances arise in the future that render the purpose of this Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or otherwise extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the compensation to which Grantee shall be entitled from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishments, shall be determined, unless otherwise provided by California law at the time, in accordance with Paragraph 10(c) Valuation, below. Grantee may use any proceeds received under the circumstances described in this paragraph in a manner consistent with its conservation purposes, which are exemplified by this Conservation Easement.
- c. Valuation. The Conservation Easement constitutes a real property interest immediately vested in Grantee.
 - i. In the event of condemnation or termination of this Conservation Easement pursuant to this Paragraph 10 or otherwise, the parties stipulate that the value of this Conservation Easement that shall be payable to Grantee shall be determined by multiplying (a) as applicable, the amount of the condemnation award, the purchase price in a deed in lieu of condemnation or, in the case of a termination, the fair market value of the Property unencumbered by this Conservation Easement at the time this Conservation Easement is extinguished, (minus any increase in value attributable to improvements made after the date of this Conservation Easement) by (b) the ratio of the value of the Conservation Easement at

the time of the grant to the value of the Property, unencumbered by this Conservation Easement at the time of the grant.

- ii. The value of the Property and this Conservation Easement at the time of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reason of this grant, pursuant to the appraisal requirements of Treasury regulations section 1.170A-13, as amended.
- iii. Grantor shall, within thirty (30) days of obtaining the final appraisal to be used for tax purposes, provide a copy of such appraisal to Grantee to be used for calculating the ratio described herein. For the purposes of valuation or division of proceeds throughout the life of this Conservation Easement, the ratio of the value of this Conservation Easement to the value of the Property unencumbered by this Conservation Easement shall remain constant.

11. Amendment. If circumstances arise under which an amendment to, or modification of, this Conservation Easement Agreement would be appropriate, Grantor and Grantee are free to jointly amend this Conservation Easement Agreement; provided that no amendment shall be allowed that will affect the qualification of this Conservation Easement or the status of the Grantee under any applicable laws, including Sections 501c.3. and 170h of the Internal Revenue Code, and any amendment shall be consistent with the purpose of this Conservation Easement and shall not affect its perpetual duration. Any such amendment shall be recorded in the offices of Mariposa County, California.

12. Grantee Assignment or Transfer of Conservation Easement; Termination of Grantee's Existence.

- a. Voluntary assignment or transfer. Grantee may transfer the Conservation Easement created by this Conservation Easement Agreement to (1) any public agency authorized by law to hold interests in real property including conservation easements as provided in Section 815.3 of the Civil Code of California; or (2) any private nonprofit organization that, at the time of transfer, is a "qualified organization" under Section 170(h) of the U.S. Internal Revenue Code and under Section 815.3(a) of the Civil Code of California. In selecting an appropriate transferee entity, preference will be given to a qualified agency or organization with a conservation purpose that this grant is intended to advance and carry forth, which has board, staff, or consultants with practical management experience, and which agency or organization expressly agrees to assume the responsibility imposed on Grantee by this

Conservation Easement. If such agency or organization cannot be found, or is not suitable for any reason, then another qualified agency or organization, which expressly agrees to assume the responsibility imposed on the Grantee by this Conservation Easement may be selected. Grantor shall be provided notice of any proposed transfer, information about proposed transferee(s), and opportunity for comment. If more than one qualified agency or organization meets the foregoing criteria and are deemed by the Grantee to be equally capable of affecting the conservation purposes of this Conservation Easement, Grantor may select one of those qualified organizations to nominate as the transferee. The final transfer of the Conservation Easement to the proposed transferee selected by Grantee, or nominated by Grantor from among the qualified agencies and/or organizations, shall be subject to the approval of the Sierra Nevada Conservancy pursuant to the terms of the Grant Agreement (Agreement No. _____) for the _____ Conservation Easement, entered into by and between the Sierra Nevada Conservancy and the Sierra Foothills Conservancy ("SFC") on _____, _____ ("the Grant Agreement").

- b. Termination of Grantee's existence. If Grantee ever ceases to exist or no longer qualifies under Section 170(h) of the U.S. Internal Revenue Code, or applicable state law, then upon the recording of a notice by the Sierra Nevada Conservancy ("SNC") that such event has occurred, this Conservation Easement shall be deemed to be automatically transferred to, and vested in:
 - i. the California Rangeland Trust, a California nonprofit organization ("CRT"), if in the said notice, the SNC approves the CRT as the transferee of this Conservation Easement, and if the said notice is accompanied by the CRT's duly executed acceptance of all of the obligations and responsibilities of Grantee hereunder; in the event that CRT is not able to accept the obligations or responsibilities of Grantor hereunder, or is not approved by SNC as the transferee then this Conservation Easement shall be vested in;

ii. the State of California ("State") or such other public agency or organization, designated by the Conservancy, to which the State has conveyed its interest.

c. Sierra Nevada Conservancy grant agreement: applicable provisions in case of Grantee's default. If the SNC determines that the Grantee, or its successor, has violated the Grant Agreement through breach of a material term or condition thereof, the SNC shall give written notice to the Grantee or its successor of such violation. Not later than fourteen (14) days after the delivery of such written notice, the designated representatives of the parties (SNC and the Grantee or its successor) shall confer about the circumstances of the default and to attempt to agree on appropriate corrective action. If the parties are unable to agree on corrective action, the SNC shall deliver a further written notice to Grantee to demand corrective action sufficient to cure the violation. If such corrective action is not performed to the satisfaction of the SNC within ninety (90) days from the date the written notice is sent (or if the corrective action cannot by its nature be performed within ninety (90) days, if it is not appropriately commenced by Grantor within ninety (90) days), then the SNC may record a notice that Grantee, or its successor is in default under said Grant Agreement. The recording of the said notice shall cause all of the rights of Grantee under this Conservation Easement agreement to vest immediately in the State or in such other public agency or nonprofit organization, designated by the Conservancy, to which the State has conveyed its interest; and to terminate all of the rights and interests of the SFC hereunder.

d. Responsibilities of transferee or successor. In the event of the transfer of the Conservation Easement to, or succession by, another party pursuant to this Paragraph 12, the successor shall assume all of the rights and responsibilities of the Grantee under the Grant Agreement.

e. Rights of the SNC and State of California. The rights and interest of the SNC and the State of California under this Conservation Easement are limited to those stated above under this Paragraph 12. Except as set forth above, the SNC is not a third-party beneficiary of this Conservation Easement.

13. Grantor's Transfer of the Property. Before transferring the Property or any interest in it to any third party, Grantor shall notify Grantee in writing, and the deed or

instrument of conveyance shall expressly refer to the existence of this Conservation Easement. Failure to notify Grantee or include the required reference to this Conservation Easement in the deed shall not affect the continuing validity and enforceability of this Conservation Easement nor shall it give rise to any remedies against Grantor.

14. Compliance Monitoring.

- a. Monitoring of Property by Grantee. The Grantee is required to monitor the Property at least annually to assess the condition of the property, including without limitation the conservation values and compliance with the Conservation Easement. However, any failure by Grantee to monitor the Property within a given 1-year period shall not affect the obligations of Grantor hereunder, or the enforceability of this Conservation Easement.

15. Subordinate Liens on the Property. All liens placed on the Property shall be subordinate to the rights held by the State of California and Grantee pursuant to this Conservation Easement.

16. Security for Debt. The Conservation Easement may not be used as security for any debt.

17. Estoppel Certificates.

- a. Upon request by Grantor, Grantee shall within ten (10) days execute and deliver to Grantor, or to any party designated by Grantor, any document, including an estoppel certificate, which certifies, to the best of Grantee's knowledge, Grantor's compliance with any obligation of Grantor contained in this Conservation Easement or otherwise evidences the status of this Conservation Easement. Such certification shall be limited to the condition of the Property as of Grantee's most recent inspection. If Grantor requests more current documentation, Grantee shall conduct an inspection, at Grantor's expense, within thirty (30) days of receipt of Grantor's written request therefore.
- b. If Grantee fails to execute or deliver the Estoppel Certificate within such ten (10) day period, Grantor may execute an Estoppel Certificate stating that: (i) the Conservation Easement Agreement is in full force and effect without modification except as may be represented by Grantor; (ii) there are no uncured defaults in the Grantor's performance, and (iii) Grantee shall be estopped from denying the truth of the facts contained in said Certificate.
- c. If Grantor desires to finance, refinance, or sell the Property, or any part thereof, Grantor shall deliver to any potential lender or purchaser designated by Grantor such financial statement, or other documentation, as may

reasonably be required by such lender or purchaser, including Grantee's financial statements for the past three (3) years. All such financial statements shall be received by Grantor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

18. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by United States certified mail, return receipt requested, addressed as follows or such other address as either party from time to time shall designate by written notice to the other:

TO GRANTOR: Bart and Cynthia Topping
Topping Ranch
P.O. Box 2
O'Neals, CA 93645

Jane E. Topping
Leonard and Jane Topping Family Trust
P.O. Box 48
O'Neals, CA 93645

TO GRANTEE: Sierra Foothill Conservancy
P.O. Box 529
Prather, CA 93651
(559) 855-3473 (phone)
(559) 855-3473 (fax)
sfc@sierrafoothill.org

19. Recordation. Grantee shall record this instrument in timely fashion in the official records of Mariposa County, California, and may re-record it at any time as may be required to preserve its rights in this Conservation Easement.

20. Grantee Not An Owner, Operator, Or Responsible Party. Notwithstanding any other provision herein to the contrary, the Parties do not intend this Conservation Easement to be construed such that it creates or gives the Grantee:

- a. the obligations or liability of an "owner" or "operator" as those words are defined and used in environmental laws, as defined below, including, without limitation, the Comprehensive Environmental Response, Compensation and

Liability Act of 1980, as amended (42 USC Section 9601 et seq. and hereinafter "CERCLA");

- b. the obligations or liability of a person described in 42 USC Section 9607(a)(3) or (4);
- c. the obligations of a responsible person under any applicable Environmental Laws, as defined below;
- d. the right to investigate and remediate any Hazardous Materials, as defined below, associated with the Property;
- e. any control over Grantor's ability to investigate, remove, remediate, or otherwise clean up any Hazardous Materials associated with the Property; or
- f. Any right or obligation to prevent, correct, or warn of any unsafe or hazardous condition on the Property.

21. Environmental Provisions.

- a. Grantor Environmental Warranty. Grantor warrants that Grantor has no knowledge of a release or threatened release of hazardous substances or wastes on or that could affect the Property and agrees to indemnify, defend, protect and hold Grantee, its directors, officers, employees, agents, and contractors, and their heirs successors, and assigns, harmless from and against all litigation costs, demands, penalties, damages, liability, claims or expenses (including reasonable attorney's fees) arising from or connected with any release of hazardous waste or violation of federal, state, or local environmental laws as a result of or arising out of the activities of Grantor on the Property or any breach of this Conservation Easement, unless said release was the result of an action by Grantee or its directors, officers, employees, agents, contractors, and their heirs successors, and assigns.
- b. Assumption of Environmental Liabilities and Indemnification. From and after acquisition of the Conservation Easement by Grantee or any of Grantee's successors or assigns (whether by operation of law or otherwise), Grantor and Grantor's successors in interest shall be solely responsible for and agree, jointly and severally: (a) to assume all past, present and future liabilities, whether known and unknown and whether now existing or hereafter discovered, arising out of and related to environmental conditions of whatsoever kind or nature on, under or affecting the Property, including, without limitation, with respect to the presence or release of Hazardous Substances; and (b) to indemnify, protect and defend with counsel mutually acceptable to Grantor and Grantee the Grantee's directors, officers, employees and agents (the "Indemnified Parties") harmless from and against any claims (including, without limitation, third party claims for personal injury or death, damage to property or diminution in value of property), actions administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines costs, liabilities (including sums paid in settlements of claims), remedial action, compliance requirements,

enforcement and clean-up actions of any kind, interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), consultant fees, and expert fees that arise directly or indirectly from or in connection with: (i) the presence, suspected presence or Release of any Hazardous Substance whether into the air, soil, surface water or groundwater of or at the Property; (ii) any violation or alleged violation of Environmental Law affecting the Property, whether occurring prior to or during Grantee's ownership of the Property and whether caused or permitted by Grantor or any person other than Grantor; (iii) any claim or defense by Grantor or any third party that any Indemnified Party is liable as an "owner" or "operator" of the Property under any Environmental Law; or (iv) any breach of the representations and warranted set forth herein. As to claims arising under (i) and (ii) hereunder, Grantor shall have no liability to Grantee if such conditions described therein are the result of Grantee's tortious conduct or negligent act.

Notwithstanding the foregoing, Grantor and each of Grantor's successor's interest shall only have liability as to those matters occurring during or prior to their respective period of ownership of the Property and shall have no liability hereunder for claims relating to liabilities occurring solely after their respective period of ownership.

c. Definitions.

- i. The term "Environmental Law" shall include, but shall not be limited to, each statute named or referred to below, and all rules and regulations there-under, and any other local, state and/or federal laws, ordinances, rules, regulations, orders and decrees, whether currently in existence or hereafter enacted, which govern (i) the existence, cleanup and/or remedy of contamination or pollution on property; (ii) the protection of the environment from soil, air or water contamination or pollution, or from spilled, deposited or otherwise emplaced contamination or pollution; (iii) the emission or discharge of Hazardous Substances into the environment; (iv) the control of Hazardous Substances; or (v) the use, generation, transport, treatment, removal or recovery of Hazardous Substances.
- ii. The term "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of any Hazardous Substance into the environment (including, without limitation, the continuing migration of Hazardous Substances into, onto or through the soil, surface water, or groundwater, and the abandonment or discarding of barrels, containers, and other receptacles containing any Hazardous Substance), whether caused by, contributed to, permitted by, acquiesced to or known to Grantor or Grantor's predecessors or successors in interest.
- iii. The term "Hazardous Substance" shall mean (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or

pollutants which (i) pose a hazard to the Property or to persons on or about the Property or (ii) cause the Property to be in violation of any Environmental Law; (b) asbestos in any form which is, or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous material", "extremely hazardous waste", "restricted hazardous waste", or "toxic substances" or words of similar import under any applicable local state or federal law or under the regulations adopted or publications promulgated pursuant thereto including the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 USC section 9601, et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 USC section 6901, et seq.; the Hazardous Materials Transportation Act, 49 USC section 1801, et seq.; the Federal Water Pollution Control Act, 33 USC section 1251, et seq.; the California Hazardous Waste Control Law ("HWCL"), Cal. Health & Safety section 25100, et seq., Hazardous Substance Account Act ("HSAA"), Cal. Health & Safety Code section 25300, et seq., the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), Cal. Water Code section 13000, et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property, or any other person coming upon the Property or adjacent property; and (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

- iv. The term "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that required a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Property of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Property or neighboring Properties.
- d. Notwithstanding the above, this Conservation Easement does not prohibit Grantor from using, applying, storing and transporting any ordinary and customary herbicide, pesticide, fungicide, or rodenticide (strictly in accordance with the label directions and restrictions) in connection with any of the Permitted Uses and fuel, oil and applicable lubricants for maintenance of equipment reasonably required to be used in the normal course of Permitted Uses, so long as such use is in compliance with all applicable requirements, is not a Reportable Use, and does not expose the Property or neighboring property to any meaningful risk of contamination or damage or expose Grantor to any liability therefore. In addition, Grantee may condition

its consent to any Reportable Use upon receiving such additional assurances as Grantee reasonably deems necessary to protect itself, the public, the Property and/or the environment against damage, contamination, injury and/or liability.

22. Perpetual Duration. The Conservation Easement created by this instrument shall be a servitude running with the land in perpetuity.

23. General Provisions.

- a. Controlling Law. The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California.
- b. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Conservation Easement shall be liberally construed in favor of the grant to effect the purpose of this Conservation Easement and the policy and purpose of California Civil Code Sections 815-816. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.
- c. Severability. If any provision of this Conservation Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Conservation Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected hereby.
- d. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Conservation Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Paragraph 11.
- e. No Forfeiture. Nothing contained herein will result in the forfeiture or reversion of Grantor's fee title in any respect.
- f. Joint Obligations. The obligations imposed by this Conservation Easement upon Grantor shall be joint and several.
- g. Successors. The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property. The terms "Grantor" and "Grantee", wherever used herein, and any pronouns used in place thereof, shall include,

respectively, the above-named Grantor and their personal representatives, heirs, successors, and assigns, and the above-named Grantee and its successors and assigns.

- h. Termination of Rights and Obligations. A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.
- i. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.
- j. Counterparts. The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.
- k. Permission. Whenever permission, consent or approval ("Permission") is required on the part of Grantor or Grantee pursuant to this Conservation Easement, such permission shall be obtained in advance and in writing signed by the party from whom permission is to be obtained. Whether permission should be granted or denied shall be determined based upon the purposes of this Conservation Easement, and shall not be unreasonably withheld.

24. Effective Date. The Conservation Easement is effective as of the date of the last signature executed below, or upon recordation in the Official Records of the county identified above, if any signature is inadvertently undated.

Signature Page Follows

Agreed to and Executed by:

GRANTOR:	GRANTEE:
Bart and Cynthia Topping Topping Ranch P.O. Box 2 O'Neals, CA 93645And to:	SIERRA FOOTHILL CONSERVANCY, a non-profit California Corporation
By: _____ Print Name: _____ Its: _____ Dated: _____	By: _____ Print Name: _____ Its: _____ Dated: _____
By: _____ Print Name: _____ Its: _____ Dated: _____	
Jane E. Topping Leonard and Jane Topping Family Trust P.O. Box 48 O'Neals, CA 93645	
By: _____ Print Name: _____ Its: _____ Dated: _____	

EXHIBIT A
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF MADERA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

The Southwest quarter of the Southwest quarter of Section 31, Township 9 South, Range 22 East, the Northeast quarter of the Northeast quarter of Section 7, Township 10 South, Range 22 East and all that portion of Section 6, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, all being more particularly described as follows:

Beginning at the Northwest corner of said Section 6; thence North 2° 05' 16" West 1333.38 feet; thence South 88° 49' 49" East 1302.12 feet; thence South 1° 28' 09" East 1317.12 feet to the North line of the Northwest quarter of said Section 6; thence South 89° 33' 29" East 1287.78 feet to the North quarter corner of said Section 6; thence South 0° 43' 57" East 1311.13 feet; thence South 89° 38' 30" East 2592.42 feet; thence South 1° 24' 01" East 1299.24 feet to the East quarter corner of said Section 6; thence South 1° 22' 54" East 2615.40 feet to the Southeast corner of said Section 6; thence South 1320.00 feet to the Southeast corner of the Northeast quarter of the Northeast quarter of said Section 7; thence South 89° 46' 17" West 1318.42 feet to the Southwest corner of said Northeast quarter of the Northeast quarter; thence North 1320 feet to the Northwest corner of said Northeast quarter of the Northeast quarter; thence South 89° 40' 17" West 1318.24 feet to the South quarter of said Section 6; thence South 89° 47' 26" West 699.83 feet to a 5/8" rebar tagged LS. 4298; thence leaving the South line of the Southwest quarter of said Section 6 North 13° 29' 26" East 53.82 feet to a 5/8" rebar tagged LS. 4298; thence North 30° 53' 32" East 132.28 feet to a 5/8" rebar tagged LS. 4298; thence North 39° 50' 55" East 69.60 feet to a 5/8" rebar tagged LS. 4298; thence North 47° 14' 02" East 84.40 feet to a 5/8" rebar tagged LS. 4298; thence North 1° 32' 31" West 90.40 feet to a 5/8" rebar tagged LS. 4298; thence North 27° 22' 17" East 232.59 feet to a 5/8" rebar tagged LS. 4298; thence North 25° 41' 36" East 75.43 feet to a 5/8" rebar tagged LS. 4298; thence North 17° 30' 38" East 63.76 feet to a 5/8" rebar tagged LS. 4298; thence North 34° 23' 06" East 44.20 feet to a 5/8" rebar tagged LS. 4298; thence North 52° 29' 30" East 80.25 feet to a 5/8" rebar tagged LS. 4298; thence North 49° 37' 49" East 115.25 feet to a 5/8" rebar tagged LS. 4298; thence North 53° 05' 36" East 107.84 feet to a 5/8" rebar tagged LS. 4298; thence North 35° 24' 45" East 61.65 feet to a 5/8" rebar tagged LS. 4298; thence North 13° 58' 18" East 55.07 feet to a 5/8" rebar tagged LS. 4298; thence North 28° 12' 22" East 118.81; thence North 47° 21' 17" East, 44.29 feet to a 5/8" rebar tagged LS. 4298; thence North 66° 32' 36" East 95.21 feet to a 5/8" rebar tagged LS. 4298; thence North 50° 40' 46" East 147.30 feet to a 5/8" rebar tagged LS. 4298; thence North 55° 58' 48" East 68.03 feet to a 5/8" rebar tagged LS. 4298; thence North 32° 08' 11" East 55.25 feet to a 5/8" rebar tagged LS. 4298; thence North 16° 01' 08" East 54.51 feet to a 5/8" rebar tagged LS. 4298; thence North 28° 40' 24" East 128.51 feet to a 5/8" rebar tagged LS. 4298; thence North 5° 08' 21" East 206.50 feet to a 5/8" rebar tagged LS. 4298; thence North 51° 02' 34" East 46.05 feet to a 5/8" rebar tagged LS. 4298; thence North 83° 41' 59" East 55.45 feet to a 5/8" rebar tagged LS. 4298; thence North 49° 54' 50" East 99.57 feet to a 5/8" rebar tagged LS. 4298; thence North 15° 34' 42" West 498.90 feet to a 5/8" rebar tagged LS. 4298; thence North 25° 57' 40" East 172.49 feet to a 5/8" rebar tagged LS. 4298; thence North 26° 42' 31" West 184.77 feet to a 5/8" rebar tagged LS. 4298; thence North 25° 09' 39" East 160.96 feet to a 5/8" rebar tagged LS. 4298; thence continuing North 25° 09' 39" East 30.00 feet to the centerline of an existing road; thence Northwesterly along the centerline of said road being a curve concave to the Northeast whose radius point bears North 27° 22' 50" East 346.90 feet through a central angle of 9° 57' 06" an arc distance of 60.25 feet; thence leaving said centerline South 56° 26' 18" West 30.00 feet; thence continuing South 56° 26' 18" West 642.04 feet; thence South 36° 07' 55" East 137.67 feet; thence South 8° 32' 16" West 131.37 feet; thence South 73° 46' 48" West 168.99 feet; thence South 51° 37' 49" West 183.29 feet to the center of a 14" White Oak Tree; thence South 16° 17' 45" West 71.07 feet; thence North 55° 23' 32" West 381.70 feet to the center of a 20" White Oak Tree; thence North 35° 16' 44" West 103.54 feet to the center of a 10" White Oak Tree; thence North 31° 15' 53" West 107.28 feet to the center of a 26" White Oak Tree; thence North 16° 09' 31" West 67.94 feet to a 22" White Oak Tree; thence North 9° 57' 50" West 88.53 feet to a 5/8" rebar tagged LS. 4298; thence North 1° 52' 54" West 99.30 feet to a 22" White Oak Tree; thence North 6° 44' 41" East 268.83 feet to the center of a 14" White Oak Tree; thence North 0° 05' 42" East 126.35 feet to the center of a 20" White Oak Tree; thence North 1° 16' 42" West 182.37 feet to a 24" White Oak Tree; thence North 9° 24' 32" West 46.17 feet to the center of a 14" White Oak Tree; thence North 16° 53' 42" West 152.41 feet to the center of a 20" White Oak Tree; thence North 10° 11' 42" West 135.04 feet to the center of a 18" White Oak Tree; thence North 3° 46' 14" West 147.31 feet to the center of a 18" White Oak Tree; thence North 0° 42' 38" West 120.52 feet to the centerline of an existing road; thence Northerly along said centerline a curve concave to the Northeast whose radius point bears North 44° 35' 35" East 171.00 feet through a central angle of

05°00'46" an arc distance of 14.96 feet; thence along a curve to the left having a radius of 115.49 feet through a central angle of 112°17'41" an arc distance of 226.35 feet; thence South 27°18'34" West 205.64 feet; thence along a curve to the right having a radius of 110.00 feet through a central angle of 130°39'32" an arc distance of 250.85 feet; thence North 22°01'53" West 82.21 feet; thence along a curve to the left having a radius of 280.00 feet through a central angle of 15°08'09" an arc distance of 73.97 feet; thence North 37°10'03" West 83.63 feet; thence along a curve to the right having a radius of 150.00 feet through a central angle of 30°24'20" an arc distance of 79.60 feet; thence North 6°45'42" West 25.95 feet; thence leaving said centerline North 89°47'01" West 978.44 feet to a 3/4" iron pipe tagged LS. 2931; thence North 1321.98 to the point of beginning.

PARCEL 2:

Lots 1, 2, 3 and 4; the South 1/2 of the Northwest 1/4; the South 1/2 of the Northeast 1/4; the Northeast 1/4 of the Southeast 1/4; the West 1/2 of the Southwest 1/4; and the North 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 5, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 3:

The Northeast 1/4 of the Northwest 1/4 of Section 8, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 4:

The West 1/2 of the Northwest 1/4 of Section 3; and Lots 1, 2, 3, 4, 5, 6, 8, and 9; the South 1/2 of the Northwest 1/4; and the North 1/2 of the Southwest 1/4; and the Southwest 1/4 of the Southwest 1/4 of Section 4, Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

PARCEL 5:

The Southeast 1/4 of the Southwest 1/4 of Section 4; the North 1/2 of the Northwest 1/4 of Section 9, all in Township 10 South, Range 22 East, Mount Diablo Base and Meridian, according to the official plat thereof.

APN: 051-130-023 (Parcel 1), 051-130-003 (Parcel 2), 051-130-008 (Parcel 3), 051-130-006 (Parcel 4), 051-130-007 (Parcel 5)

EXHIBIT B

Map of the Property

